

**ARIZONA STATE PARKS BOARD
2112 W. ASPEN AVENUE
FLAGSTAFF, AZ
JULY 22, 2004
MINUTES**

Board Members Present:

John Hays, Chairman
Elizabeth Stewart
William Porter
William Cordasco
Gabriel Gonzales-Beechum
Janice Chilton

Board Members Absent:

Mark Winkleman

Staff Present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Mark Siegwarth, Assistant Director, Administration
Cristie Statler, Consultant, Fundraising and Friends
Debi Busser, Executive Secretary
Jean Emery, Chief, Resources Management
Janet Hawks, Chief of Parks
Ray Warriner, Resources Management
Amy Hartle, Administrative Assistant
Rick Knotts, Western Region Manager
Sue Hilderbrand, Acting Chief of Grants
Brad McNeill, Computer Support
Annie MacVey
Elizabeth Krug, Chief of Research and Marketing
Michael Freisinger, Resources Management
Bob Sejkora, Resources Management
Rick Toomey, Cave Expert, Kartchner Caverns State Parks
Ellen Bilbrey, PIO

Attorney General's Office:

Joy Hernbrode, Assistant Attorney General

A. CALL TO ORDER – ROLL CALL

Chairman Hays called the meeting to order at 9:05 a.m.

B. INTRODUCTIONS

In the interest of saving time, introductions were removed from the Agenda. Chairman Hays noted that anyone wishing to address the Board through the course of this meeting needed to complete a Speaker's form and give it to the secretary.

Chairman Hays noted that he would change the order of the Agenda somewhat because someone is present to address the Board who needs to be back in Phoenix for a meeting at Noon.

H. PARTNERSHIPS AND EXTERNAL AFFAIRS

1. Section Report

Draft Historic Preservation Rating Criteria

Ms. Hilderbrand thanked the Chairman for changing the order of the Agenda to accommodate the Chairman of HPAC. She referred to page 28 of the Board packet, which includes the report of this discussion, the draft of the new rating criteria for the Historic Preservation Heritage Fund program, and the current rating criteria.

Ms. Hilderbrand reported that in October the Historic Preservation Advisory Committee (HPAC) decided they really wanted to reevaluate the program, including the rating criteria and policies. Mr. Linoff, Chairman of HPAC, made a presentation to this Board in November to advise the Board of what they wanted to do. There have been 8 meetings since that time totaling about 23 hours. This committee is very dedicated to the process and very passionate about what they are doing. Mr. Linoff is here to give the Board a presentation about the process they went through and is seeking input from the Board. Staff encouraged them to vote on this rating criteria and bring it to the Board. The committee members resisted doing that because they wanted input from the Board prior to moving forward.

Ms. Hilderbrand reported that the changes that were made between the current rating criteria and the draft to be presented the focus on the ability of the organization to accomplish their projects and show how the general public will benefit from the projects. They felt those were the most important issues. The questions regarding urgency of the project, information management, recognizing Heritage Fund and Partners were eliminated. Possible Program Requirements is an area they still want input from the Board on. They are heading in the direction of requiring each applicant to have some sort of long or short consultation with the State Historic Preservation Office (SHPO), depending on the project. The idea is that, even if a grant is not awarded to that project, SHPO had the opportunity to impact the project. Finally, attendance at the workshop would be required. It is not a bonus because of the number of changes. The Grants staff and SHPO have worked closely with the committee. SHPO is very willing to have a representative at every grant workshop in order to provide the applicants with assistance in completing their applications. This will satisfy both the requirement to attend the workshop as well as consultation with SHPO at the same time.

Ms. Hilderbrand noted that the Board has in front of them a letter from Mr. Garrison, State Historic Preservation Officer, stating that he is very supportive of this process and the draft rating criteria being presented. The Grants staff, as well, are very supportive of the amazing effort this committee has put into really combing through everything that could be done to make this a better program.

Chairman Hays asked if the final document will be brought before the Board in September.

Ms. Hilderbrand responded affirmatively. A meeting is scheduled in about two weeks. The Board's input will be brought to HPAC, they will "tweak" it, vote on it, and bring it back to the Board in September.

Mr. Victor Linoff, Chairman of HPAC, addressed the Board. He noted his appreciation to the Chairman for moving this item to the beginning of the Agenda.

Mr. Linoff reported that HPAC came before the Board in November to propose HPAC's review of the Heritage Fund Grant Manual. At that time the Board gave approval for the committee to move forward. Since then HPAC has met 8 times for a total of about 23 hours. He is here today to provide the Board with an update on the progress of that work.

Mr. Linoff reported that HPAC recognized that from the very outset they would have to be thorough and productive in looking at the process. In an attempt to produce the best results possible, HPAC employed the strategy of "inclusiveness". From the very beginning they worked as a team. In all deliberations everyone worked without titles. When sitting at the table there were no "committee members", no "staff"; all were equal at the table. The mindset was that everyone contributes on an equal basis and that unless there was universal accord among HPAC, SHPO, and Grants it would be impossible to achieve any meaningful results. Throughout the process there was tremendous give and take resulting in a product he believes will be a model for good granting processes.

Mr. Linoff acknowledged and applauded the commitment, sincerity, and willingness to work on the part of all participants. This required a substantial number of extra meetings and attendance was very high at all those meetings, showing the dedication and interest without which they wouldn't have been able to accomplish this task.

Mr. Linoff reported that, if nothing else, this process also brought improved communication between SHPO and Grants. Early in the discussions, while listening to SHPO's dialogue, he wondered why they hadn't talked about this before. Apparently there had never been an opportunity for those discussions. They reached a lot of common ground through this process.

Mr. Linoff discussed steps taken to get to this new manual. They began with a thorough review of the Heritage Fund Grant program from the enabling legislation language through how the program evolved over time. They looked at what worked and what didn't work. They learned that many things worked very well and were appropriate, which is a testament to the thoughtfulness of how it was initially created. As a result of that study, they also learned that over time, through changes, amendments, and the like, the grant application process had strayed from its original intent in some areas. Complexities and words for which there was no explanation resulted in procedures that became heavy on process, paperwork, and subjectivity. The challenge was to bring the grant application process back to a more close alignment with the expression of need and a more objective evaluation resulting in the highest and best use of the Heritage Funds. That essentially means reevaluating the rating criteria.

Mr. Linoff reported that the new rating criteria now consists of just two components: a demonstration of comprehensive thoughtful planning and a demonstration of public benefit. It is important to note that because this new program calls for pre-application

consultation with SHPO, the need will already be established. It does not have to be demonstrated through the application. The demonstration of public benefit must match the state statutes. Each section represents 50 points, for a total score of 100.

Mr. Linoff reported that the result of this approach is that it eliminates the repetition and redundancy of material that is currently required. The SHPO prescreening should also dramatically improve the quality of the applications. It simplifies the review process, which is another important consideration given the fact that there are more CLGs coming on line and more applications are filed each year.

Ms. Linoff noted that HPAC and staff are also working to make the manual more self-explanatory, user friendly, and overall less intimidating. This is being accomplished by presenting clearer examples of what is required; the organizational structure is being improved, taking a cookbook approach to the manual itself; pointing out to the applicants those areas that directly relate to their applications; color coding the sections for easier identification; clearly showing and delineating what is information, what is background and support material and what material forms need to be submitted. They are also including a checklist to ensure that the required material is submitted. They are also working on improving the workshop program to better cover the grants process. SHPO has agreed, and believe it is important, to be part of those workshops and will be participants in the future. They may put together a PowerPoint presentation that would allow them to more dramatically present the material in a fashion that may be more clear to workshop attendees. They are also setting up a mechanism by which they can get meaningful feedback from participants to assure that the program is working as it is intended.

Mr. Linoff added that the last part of their work is consideration of several important policy issues. First and foremost is grant cycle frequency. As he reported to the Board in November, they are carefully evaluating a bi-annual grant cycle to see if that will better fulfill the mission of the grants program and better serve the needs of the applicants.

Mr. Linoff reported that another issue is the topic of Emergency Funding. They are taking a look at this issue. They do suggest the bi-annual cycle. It would really eliminate the need for Emergency Funding because the frequency would be increased to a level where there would be no need for a separate funding vehicle for it. They have to continually raise the bar because of the fact that more grants are coming in and the amount of money available is not changing. They looked at the issue of requiring an applicant to be registered on the National Register or be a willing nomination to the Register as a part of their application. HPAC is in agreement on this requirement. They want to be sure that it is clear to the applicants.

Mr. Linoff reported that over the next two months HPAC will conclude the deliberations on the policy issues. They will finalize and complete the revised Grant Manual. While they hope they have created the perfect process, they recognize that unanticipated problems, questions, and issues will arise. With that in mind, they will closely monitor the program and recommend timely adjustments and changes as necessary. They will come to the Board in September with a comprehensive package for the Board's consideration and, hopefully, approval. It will give the necessary time to have the new grant program ready for introduction and implementation in 2005.

Mr. Linoff noted that this has been a long and difficult exercise full of challenges. It has been a valuable experience for which he is very grateful to have been a part. He thanked the Board for their support and encouragement. He also thanked the staff. He couldn't tell how much they helped in this process. It was truly a team effort to get this document completed. He asked if the Board had any questions.

Chairman Hays thanked Mr. Linoff for the presentation. He noted that the suggestions HPAC has made are logical. He noted that the Board meeting in September will be moved to the 23rd.

Mr. Porter stated that he is very pleased. When the Board participated in strategic planning sessions they made major changes. They discussed where Arizona State Parks (ASP) is, where it should be, and what it should be. Nothing more than the grants program shows that ASP is gravitating towards becoming a true broad-based conservation agency. Their discussions touched on the grant program as something that can then legitimize ASP in the eyes of the public regarding the things they were given to do to shepherd programs they were supposed to supervise and award. He believes that for the longest time the program was viewed as a useful add-on to the agency's Mission. It didn't really carry a major concept that it was an integral part of what the agency is about and should be a tool used to advance overall broad-based goals. He believes that this is recognition of that and is a marvelous step towards leaning toward the Vision of recognizing that we need to utilize the whole concept of the grants program as an integral part of the overall ASP philosophy or conservation philosophy or whatever it is we eventually get to. It is transition. It will take a while. It won't be something the Board will know overnight where it will lead. He believes everyone in the room associated with ASP recognizes that quantum change is under way. HPAC has jumped on the bandwagon with excellent timing. He thanked them for doing so.

Ms. Stewart thanked Mr. Linoff and all of HPAC. At his invitation she attended one of their meetings to see what they were doing. She attended the meeting where they were reviewing the grants. A lot of issues were raised, and there was frustration on the part of the committee about the fact that there were some fine applicants who did not score well. She thanked the committee for taking on this enormous task of trying to discover why those applicants were not scoring well. She noticed that many of those applicants had not attended the workshop. There were other things that started to unfold. They talked about what changes they might make. She particularly applauds HPAC for focusing more on the community need and whether the project will really happen. When you get right down to it those are probably the two most important things. In line with what Mr. Porter discussed, she believes that SHPO's involvement in this program and becoming a real partner in this whole process is really making the agency a true partner rather than just a money bag that has grants to dole out.

Ms. Stewart stated that she has a few concerns. She noted that there was discussion that in the past the Emergency Fund had impacted on the ability of HPAC and this Board to do anything when an emergency arose with a historic building. Some of these buildings can deteriorate rather rapidly. Once they're gone - they're gone. It is a lot different than in the other areas. In the other areas of the grants program, applicants want to do things now and now may not be the best time. Generally, it is not a lost

opportunity forever as it is with historic preservation. She knows that there were complications in going back to the emergency fund. The committee discussed a twice-a-year grant cycle. She asked how they came to feel that it could take the place of the emergency fund and whether they felt doing two cycles would be a burden on the committee.

Mr. Linoff responded that HPAC is still reviewing all of the issues. The issue of the Emergency Fund was one of the drivers of considering a twice-a-year cycle. "Emergency" is kind of an oxymoron. The need exists but the bureaucratic process requires time. They concluded that if the Board goes to a bi-annual cycle it is really working in six-month windows, and that is within the framework of what it would take to get an application for Emergency Funds, review it, and disburse. That is why HPAC feels the need for Emergency Funds wouldn't exist under that scenario. The other aspect is that under the current plan, the deadline is March 31. If the application is submitted on April 1 it is another year before consideration. The Board considers grant requests in September and award in November. An April 1 submission would take 18 or 19 months, which is a very long time. By considering awarding these grants twice a year HPAC believes it would actually reduce the workload because rather than having 30-40 applications coming in at once, they would be spaced out and not as much time would have to be spent reviewing that large a number of applicants. They are still exploring it.

Mr. Linoff added that discussions have been held with staff and the committee. They realize that they are here to serve. They need to find a way that best fulfills the mandate of what they are charged to do. If it requires doing extra work, then they are willing to step up and do it.

Ms. Stewart asked if the quality of the applications might improve if there is less pressure that this is their one chance to apply or if applicants may be applying prematurely or before they really have the time to properly prepare their application.

Mr. Linoff responded that they absolutely feel that way. They also believe that application quality will improve because of the prescreening with SHPO. SHPO can provide them with advice, point out any weaknesses, and let them know what needs to be worked on for more successful application. Additionally, there isn't the dread that if they don't get their applications in on time they will have to wait another 18 months. Circumstances can change dramatically in that period of time. With a six-month cycle, even if an application did not score well, it could be resubmitted. He does believe the quality of the applications will improve. The biggest challenge of this whole process is to make it as objective as possible. The criteria can be looked at, and the application can be judged on an objective scale rather than a subjective scale. That should improve the quality of the applications as well.

Ms. Stewart noted that she has a concern about the mandatory attendance at the workshop. She has talked with staff about this concern as well. On the one hand it is obvious that those people who don't attend don't score as well and there are major problems with their applications. On the other hand, it became very obvious to her in attending the meeting where the applicants appeared that even though the name on the application might be a government agency or organization that appears to be rather large, the people who actually do the work and take time from their jobs to attend the

meeting are citizens. She believes this may be more so in this area than others of the grant applications. She is concerned that the people who are making application, depending on where they live and the fact that we usually have 2 or 3 workshops at most around the state, will need to take an entire day to attend. In some cases they may have to come in the night before and take 2 days from work to attend the workshop. Then they take a day off to go before the committee, and possibly another day to come before the Board. It doesn't concern her so much when they are paid employees, because that is what they are being paid to do. She wondered whether it might be possible to either come up with a video or to have some sort of satellite hook-up at perhaps the universities or in strategic parts of the state for those who live great distances away.

Ms. Stewart stated that she sees the benefits of requiring attendance at the workshops but she also sees some pitfalls with the way those workshops are currently offered. If there is some way to make it easier for people to attend, it would be helpful.

Mr. Linoff responded that HPAC spent a lot of time discussing the issue of the workshops, including the very points just raised. The idea of the workshop is not to give people additional workloads, it is to give them tools necessary to complete a successful application. The question then arises as to how often they have to attend. Obviously, when completely redoing the grant manual, it is very important. Every year, as part of their program, HPAC will review this manual and procedures. HPAC will review the effectiveness of requiring attendance at a workshop after the first year. The fact that SHPO will be there can be useful for the smaller applicants. He really likes the idea of using technology to disburse that information more broadly rather than require people to travel great distances. That is something HPAC can certainly explore. If nothing else, a PowerPoint presentation can be distributed around the state. If it's done clearly, people should be able to look at it and understand the issues, there could be visual examples, and it could be viable. Those are very good points. HPAC certainly does not want to add more load on people, but they do think it's very important that they understand what is being asked of them in completing an application.

Ms. Chilton asked if representatives are available that the applicants can talk to as they make their applications.

Mr. Linoff responded that ASP staff are available. Even under the current system he has to give very high marks to staff in their response to applicants. The answer to that question is yes, they are available and more than willing to provide any advice they can.

Ms. Chilton asked if staff are willing to make trips, too.

Ms. Hilderbrand responded that staff do that all the time.

Mr. Porter stated his agreement with Ms. Stewart regarding getting into the modern age regarding training and would even make it stronger. He sees no reason why a system cannot be devised for these workshops that would allow anyone in the state who wants to participate to be present electronically. It goes on all the time. He sits on two or three national boards where he just can't go to all of their meetings. He teleconferences in and he has the opportunity to hear what he needs to hear and make any presentations and can exit when there are things he doesn't really need to be involved

in. It works and it works extremely well. Even the courts, which are probably the most conservative when it comes to change, are waking up. More and more now the courts are set up to where he can appear electronically at court proceedings. He has done this in three counties in Arizona thus eliminating multi-hour trips to do a 15-30 minute meeting. The technology is there. He believes it's a matter of making use of it in order to minimize the intrusion of the workshops. It would also make them more effective. It might turn out that all workshops could be done from one centralized location and have everyone from the outlying areas attend electronically and probably not lose a lot in the process.

Mr. Linoff responded that those are great ideas, and obviously HPAC will try to explore them.

Chairman Hays thanked Mr. Linoff for his presentation.

D. CONSENT AGENDA

- 1. Approve Minutes of May 20, 2004 State Parks Board Meeting**
- 2. Approve Minutes of Executive Session held May 20, 2004**
- 3. Consider Obligor Federal Recreational Trails Program (RTP) Federal Fiscal Year 2004 Seven Month Extensions Apportionment** – Staff recommends obligating the remaining Recreational Trails Program FFY 2004 seven-month apportionments to fund the current nonmotorized trail maintenance program and motorized competitive grant program.

Ms. Stewart stated she had corrections to the Minutes of the May 20, 2004 State Parks Board meeting as follows.

Ms. Stewart stated that page 12 of the May 20 Meeting, first full paragraph, the last sentence should actually be two sentences. It says, "Every time she responds that the Board wants to do something but needs County assistance" there should be a period. Her intent was for there to be two separate sentences.

Ms. Stewart stated that on page 14, the last two lines of the page, she was quoting from previous minutes and she would like that to be reflected. The sentence, "The Board was told that" a comma should be inserted and then quotation marks, "there is a great annual pass program at all of the parks." On page 15 where "giving away the farm" it should be single quotation marks that show the quote within the quote. On the fourth line of page 15 where it says the pass would only be good at insert the words "those parks along Lake Havasu" and end the quote.

Ms. Stewart stated that on page 16, under K.1. Proposed State Park Fees Revisions, the second paragraph, the second sentence she believes there is an error. It says, "After some discussion, the Board directed staff to send out the proposed fees *without* making it free for children . . ." She recalls that the direction was to make it with.

Mr. Porter noted that although a Motion was not needed, he made a Motion which is set forth at the bottom of page 29.

Ms. Stewart stated that on page 21, the 7th paragraph, first line, the word "then" should be "than".

Ms. Stewart stated that on page 24, the last full paragraph, the last sentence where it says, "then the Board should agree to something like this." The word "not" should be inserted between "should" and "agree".

Ms. Stewart stated that on page 46, 4th paragraph, "Ms. Stewart noted that there were some really great presentations from ASP staff". She mentioned the names of each of the staff members who were there and feels it is important that they are reflected in the Minutes. The third line should read "The presentation by Art Austin on the Wham Robbery". The second line where it says "She sat in on one" insert "by Kathy Faretta". The fourth line, "There was a very nice display on the McFarland history" add "prepared by Katie Montañó".

With those corrections, Mr. Porter made a motion to accept the Consent Agenda. Ms. Chilton seconded the motion. The motion carried.

E. BOARD ACTION ITEMS

- 1. Approve FY 2005, FY 2006 and FY 2007 Strategic Plan.** Staff recommends that the Board approve the Three-Year Strategic Plan for FYs 2005, 2006, and 2007 and that the Executive Director be authorized to carry out the programs as required.

Board Action

Mr. Porter: In order to move the Agenda along since there was a tremendous amount of discussion yesterday on items E.1 and E.2, I move to approve the FY 2005, FY 2006 and FY 2007 Strategic Plan and that the Executive Director be authorized to carry out the programs as required.

Ms. Chilton seconded the motion.

Ms. Stewart stated that she had amendments.

Mr. Porter yielded to Ms. Stewart for her amendments. He noted that he believed that many of the things to be raised were discussed yesterday. He understood that they had been accepted by staff and that those changes would be made. He asked for clarification from Ms. Stewart.

Ms. Stewart stated that she thought there were differences of opinion as to the Board's direction. She wants to be sure the Board ends up with what they discussed.

Ms. Stewart noted that one item she did not bring up yesterday, but feels is very important, is that there are references to the legislature and the Governor's Office being "the porters" and carrying the Board's baggage and having to be trained and motivated. She is concerned that someone from the legislature might be offended by that language. She referred to page 6 of the Board packet (page 3 of Strategic Plan). Under Skill Assessment it says that to do this "we will need many porters to carry our equipment. These porters will be trained and motivated to help us in our chosen journey. The pool of porters is large and includes the legislature, the Governor's Office, and other state and federal agencies." She understands the context in which it was written, but she is not sure that everyone in the legislature and the Governor's Office would appreciate that. Later it goes on to talk about fine-tuning our Mission, Vision, and organization.

Mr. Porter asked what change Ms. Stewart would actually make.

Ms. Stewart responded that she would eliminate all of the references to porters on page 6. Rather than say that we'll need many porters she suggested saying we will need assistance or support from many areas. There can be something in there because obviously we do need support and help from the legislature. She does not want to be calling them porters. It is easier to offend people these days than in the past. There was another page where it refers to porters.

Mr. Porter consented to that change to his Motion. Ms. Chilton agreed to that change.

Ms. Stewart referred to page 9 of the Board packet (page 6 of the Plan), Choosing The Path, the second paragraph. The Board pointed out in the last meeting that the Vision articulated in the Strategic Plan to be one of the best natural resources agencies is to be changed to "be the best".

Mr. Porter accepted that change to his Motion. Ms. Chilton agreed.

Ms. Stewart referred to page 17 under State Parks Opportunities, number 2. She is uncomfortable saying we are the leader in the conservation and enhancement of the state's natural, cultural, and recreational resources. She believes it could be changed to "a leader". She reminded the Board that they weren't even called to participate in the State Trust Land Reform discussions because they weren't considered to be a player.

Mr. Porter accepted that change. Ms. Chilton agreed.

Ms. Stewart referred again to page 17, under number 3. The Board has the ability to protect the natural areas and private property rights. She really believes the words "and private property rights" should be removed. It is not the function of this agency to protect private property rights. It is important that we do not trample on private property while we are doing things. The focus is to protect the natural areas.

Mr. Porter asked staff if there is any reason why striking those words would pose a problem.

Mr. Travous responded that he agrees with Ms. Stewart.

Mr. Porter accepted that change. Ms. Chilton agreed.

Ms. Stewart referred to page 22 of the packet. The first Objective is stated as preserve and protect open space and natural areas. She understood that the Board want to elevate that to a separate Goal as opposed to Objective. It would have its own measurements with dates the Natural Resources section previously established in the Strategic Plan several years ago.

Mr. Travous stated staff look forward to doing that.

Mr. Porter stated that his Motion will be considered to include that change in the final product. Ms. Chilton agreed.

Ms. Stewart referred to page 22. She believed the Board want to elevate to a separate Goal the effectiveness at conserving and protecting Arizona's natural and cultural resources. She believed the Board also wanted to not place timelines on things in that section but would have quarterly reports to the Board on the progress of doing those items and elevate to a separate objective with dates the development and

implementation of GIS and the development of a timeline for full implementation of PAMS.

Mr. Porter stated that if staff agreed that that is something they have on tap to do, he would include that in his motion. Ms. Chilton agreed.

Mr. Ream stated that his notes from the previous day included having quarterly reports on PAMS.

Ms. Stewart responded that the Board wants to ensure things continue to move forward.

Mr. Travous responded that as part of his report he will give the Board updates on what has been going on, with a larger quarterly report to follow.

Ms. Stewart stated that in May the Board discussed how the implementation of PAMS was key to everything that the agency was going to do. She believes PAMS needs to be separated out even from the others and either set a timeline now for full implementation or a date by which the Board will be presented with a timeline. If that doesn't get done, we can't go forward. She believes a timeline needs to be developed for full implementation of PAMS and she believes it needs to be before the end of this year. It needs to be fairly soon. She doesn't know how far staff is in terms of a tentative timeline.

Mr. Travous suggested incorporating that into what is being done at the top of page 22. As staff look at all of these things, PAMS will be one to be put into perspective. In other words, PAMS would be incorporated into those items that timelines will be attached to.

Ms. Stewart noted that it is presently under the second objective. She didn't want to just get quarterly reports on when PAMS will be implemented. She believes the Board needs a time certain by which they will be presented with that timeline.

Mr. Travous responded that he certainly understood that it would be incorporated.

Ms. Stewart added that she would like a timeline developed for the development and implementation of the GIS, which is an integral part of PAMS.

Mr. Porter accepted the change. Ms. Chilton agreed.

Mr. Porter stated that as maker of the motion, he accepted all of those changes as amendments to the motion. The motion's second also accepted. He moved his Motion as amended.

Mr. Cordasco stated that he wanted to understand if the districts discussed are within the Strategic Plan or budget so that he could understand the role they play.

Mr. Siegwarth responded that districts are not included as part of the Strategic Plan. Insofar as the budget is concerned, they have no actual impact on what staff will ask the Governor for. The districts are a conceptual idea that can be a structured message. It may be a paradigm to be utilized to analyze where we are headed. It is an evolutionary process. It could be called a number of names.

Ms. Stewart asked if districts were being approved at this time.

Mr. Siegwarth responded that the Board is not approving districts.

Chairman Hays called for a vote of the Motion, as amended, on the floor. The motion carried unanimously.

2. **Approve FY 2005 (revised), FY 2006 and FY 2007 Operating Budget** – Staff recommends that the Board approve the FY 2005 (revised), FY 2006 and FY 2007 operating budgets as a lump-sum and that the Executive Director be authorized to implement the programs, including submittal to the Governor's Office and legislature as required.

Board Action

Mr. Porter: I move that the Board approve the FY 2005 (revised), FY 2006 and FY 2007 operating budgets as they were essentially presented on July 21, 2004 and that the Executive Director be authorized to implement the programs, including submittal to the Governor's Office and legislature as required.

Ms. Chilton seconded the motion.

Ms. Stewart stated that she wanted clarification on a few items that were not discussed yesterday. She referred to the diagrams on page 105, specifically the charts for Research and Marketing Plan Tactics. The last item is \$50,000 for Diamondbacks for this year and \$50,000 for next year. She asked what that money is for.

Mr. Ziemann responded that the agency's efforts with the Diamondbacks included three broad, major projects. One is to continue sponsorship of the training centers which are baseball camps and softball camps for boys and girls throughout the state of Arizona. There are upwards of 100 camps that are currently being held for boys and girls aged 5 through 16. The second project in the Diamondbacks package is access to the stadium through either the stadium plaza or coupons used by people who frequent the games. Another project that is new this year and staff are tracking is the signage that appears immediately behind the batter. It has ASP's website. Staff are tracking the hits that result from that signage. It is an attempt to try to reach the Maricopa County marketplace.

Ms. Stewart asked if it's been determined what kind of return has been received on our investment. This is a rather large portion of the marketing plan.

Mr. Ziemann responded that staff are in the process of measuring all the time.

Ms. Stewart asked what the preliminary findings are.

Mr. Ziemann responded that Ms. Krug (RAM) and Mr. McNeill (Computer Support) are tasked with tracking the hits on the website.

Ms. Stewart asked if this is a special website that only people who were there will access. She asked how staff will know which people on the website were at one of these games as opposed to being there as a result of something else.

Mr. Ziemann responded that it is tracked based on hot spikes immediately after the ballgames were shown.

Chairman Hays noted that he was asked a week ago by someone watching television why ASP is advertising on Diamondbacks games. He had no answer at that time.

Ms. Stewart asked what the preliminary information has shown as far as what kind of interest is being generated. She is concerned with going into a second year without having some feedback on whether or not it's been successful since it is a large amount of money.

Mr. Ziemann responded that these programs are not entered into until January. The money has been set aside. Staff will study the results between the end of the year and the beginning of the next baseball year to determine whether or not that money needs to be directed elsewhere. The benefit of advertising with the Diamondbacks is that there is far more exposure through them than we could ever hope to purchase through any other advertising opportunity. Beyond that, it is a way to tap into the Maricopa County marketplace where we have virtually no other way of access in a meaningful way.

Mr. Travous noted that it would be interesting to be able to track how much better or worse it would be if the Diamondbacks were 20 games over .500 rather than 20 games under. At first he thought 20 games under .500 would not get the home court. It might be just the opposite in that people are paying to go there rather than watch it on TV. Those are the things staff are trying to track.

Ms. Stewart asked if staff would come back to the Board before entering into this agreement.

Mr. Ziemann responded that staff can always come back and talk to the Board. The viewership ratings were listed in the sportspage. The Diamondbacks' viewing has not dropped off at all. They are still receiving about a 10 local market share as opposed other programs that typically receive 1 or 2. That is 5 times as many homes in the Phoenix marketplace who are typically watching the Diamondbacks rather than watching any other individual program. The relationship that the agency has enjoyed with the Diamondbacks has been a wonderful thing for ASP. The people who are typically going to or watching the Diamondbacks games are a near match to the people who are coming to the state parks and utilizing our programs. The match isn't nearly as good with the Phoenix Suns or the Arizona Cardinals.

Mr. Porter noted that at some point he would like to see a report that gives the Board an idea of what bang we are getting for that buck. It is a lot of money. He is comfortable with continuing to move in that direction; however, he would also like to have a report before the Board commits too far to continue the program. He would like a report as early as possible.

Mr. Beechum stated his agreement that a report is needed. He asked how much interaction exists at the games with the signage and booths. He asked if the agency is visible out there.

Mr. Ziemann responded that part of the Plaza Nights provides access to the plaza in front of the stadium. They don't typically allow people access to the walkways within the stadium mostly because of the size walkways of the crowds inside the ballpark. Staff have access to the plaza.

Mr. Porter stated that one reason he would like to take a look at program is that perhaps from that information we can fine tune what we're doing and make improvements. He is comfortable with it, but he does want to see what is coming from it.

Ms. Stewart stated that, specifically, the Board should have a report before signing another contract.

Mr. Porter asked when that would be.

Mr. Ziemann responded that the Diamondbacks work on a calendar year so their marketing figures will not be complete until some time in October. He stated that he could easily put together a package to give the Board in November outlining the agency's specific relationship with the Diamondbacks is.

Ms. Stewart stated that either September or November would be fine – any time prior to signing anything. The Board has been discussing that decisions need to be based on factual scientific evidence. The Board is being asked go forward without knowing the facts.

Ms. Stewart added that if the Board is donating \$50,000 to their camps, the Diamondbacks should be required to hold some field trips to our parks so that some of these children can become familiar with what is being done at our historic and recreational parks. She understands that their charities do have outings and activities for youth. They should be required to sponsor a certain number of trips to the parks.

Ms. Chilton asked if the agency is even mentioned at any of the baseball camps.

Mr. Beechum stated his agreement with Ms. Stewart. He has some experience with these camps. They have sessions for about four hours a day. He believes this is something that could be possible. These camps are held throughout the state in various counties. It is possible that they could take the kids out to see the parks.

Mr. Ziemann responded that the agency's information is given to all of the campers. Staff hope that will entice the children to bring their parents and go to our parks. All of the advertising that the Diamondbacks do for those camps throughout the state show ASP as a sponsor of those camps. It's all part of this package.

Ms. Stewart noted that the Board understands that the advertising part is being done, but it seems that it could go a step farther and require that they take some action and actually bring some of the youth to the parks as a pilot project. Part of what we're trying to do is make sure we have future generations of park goers.

Mr. Beechum stated that he can see what's happening here. There is credibility in advertising with the Diamondbacks and the kids. But down the line he sees a good relationship being established.

Ms. Stewart referred to the same page, under Research Agenda, Patagonia Lake Observational and Onsite Survey - \$20,000. She asked for clarification.

Mr. Ziemann responded that there was discussion at a previous Board meeting about deficiencies in the sample that was used to get the information on the Patagonia Lake survey. This money is set aside to further that effort and make the survey more whole so that there is more confidence in the end results.

Ms. Stewart stated that she wanted to re-express her concern that it is not appropriate to do a survey asking public opinion regarding safety. She is very concerned about spending \$20,000 on such a survey when she believes it is the obligation of this organization to determine what is safe and not whether people think it is safe. She

thinks that there are some inherent fallacies in trying to ask people if they think what they are doing is safe. If people are engaging in an activity with their families and are asked if they feel it is safe for them to be doing it, there will be a natural human tendency to say yes. Those people who do not think it's safe are not continuing to come. She believes that as an agency we need to put our money into other things and we need to make a decision based on our responsibility on scientific evidence of the size of the lake, the speed of the boats, etc. She does not think it's appropriate to spend money on a public opinion survey on the perception of the visitors as to whether or not they think we're providing a safe situation. If the Board is not going to base its decision on that, then she doesn't believe they should spend \$20,000.

Mr. Ziemann responded that that survey does not ask people whether their behavior is safe. The purpose is to observe and scientifically quantify their activities by finding out how fast they are going in the boats. They are not being asked if how fast they are going is safe. They are being asked what kinds of behavior they are engaging in at Patagonia Lake, not whether, in their opinion, their behavior is safe or not. That is a determination that Patagonia Lake staff, regional staff, and ultimately the Executive Staff and Board will make. Policy and public safety issues at Patagonia Lake will not be made by the opinions of those people who are recreating at Patagonia Lake. Staff are trying to quantify what the behavior there is.

Ms. Stewart asked if this is a change from what the Board was told at the last Board meeting. The Board was clearly told that there was an ongoing survey to determine whether people perceived the lake to be safe.

Mr. Ziemann responded that part of the survey is to ask what is perceived as going on around them while camping and recreating at Patagonia Lake. The bulk of the survey is what exactly is the respondent doing when at the park (what activities they are engaging in – fishing, jet skis).

Mr. Porter stated that he understands the problem at Patagonia Lake. It is the only lake in that part of the state, and the Board has it. There are things down there that the Board have serious concerns about from their visitations and accidents that have happened. He understands that the survey was an attempt to find out what people are really doing as much as possible while at the same time what sorts of things the park visitors perceive as going on that may be troubling to them. It's not the idea of whether the individual is behaving safely but rather whether the individual sees things going on on a regular basis that cause concern that the agency needs to know about. He believes it is important that there be a perception by the people going there that they played a role in this. One of the things that needs to be looked at is jet ski usage. There are areas where some of these high-speed activities can be done and some where they can't be done. He is most concerned about safety issues. He sees a real bad accident waiting to happen if the Board does not a good grip on it. He believes this survey is a useful tool.

Mr. Ziemann added that one can study activities on so many acre feet of water. There are all kinds of ratios involved. Perception is valuable in this. It may be that in that small lake those standards are still too lenient or too high. People's perception, what they see, how it affects them is, in his opinion, valid. Staff need to know beyond their perception exactly what kind of use is going on in that lake.

Mr. Porter stated that he believes the point has been reached where if an amendment is offered to the Motion it should be offered. Otherwise he felt a vote should be taken.

Mr. Beechum referred back to the discussion on the Diamondbacks. He did not know if everyone was aware that it costs about \$100 to attend the camp. He had concerns about bringing a Diamondbacks camp to Casa Grande. If we're going to put that kind of money into it, then the Board needs to get a report to show where that \$50,000 is going. If that kind of money is going into that program, then perhaps it could be utilized for camps for the kids who can't afford to go the Diamondbacks camps. It would also give more recognition to ASP that the money is going to a good source.

Mr. Ziemann responded that the Diamondbacks are concerned about the costs, as well. The Diamondbacks do not actively try to deny children access to their camps based upon these fees. The Diamondbacks Charities run several programs to allow children, especially in Phoenix and the South Phoenix area, access to those camps.

Ms. Stewart posed an amendment to the Motion that the budget is adopted subject to staff presenting an update on the success of the Diamondbacks program before a contract is entered into.

Mr. Porter accepted the amendment as maker of the Motion. Ms. Chilton agreed as the one who seconded the Motion.

Chairman Hays called for a vote of the Motion, as amended, on the floor. The Motion carried unanimously.

3. **Approve SHPO Work Plan** – Staff recommends that the Board approve the FY 2005 SHPO Work Program Task List.

Board Action

Mr. Porter: I move that the Board approve the FY 2005 State Historic Preservation Office Work Program Task List.

Ms. Chilton seconded the motion. The motion carried unanimously.

4. **Extension of Concession Contract at Kartchner Caverns State Park** – Staff recommends that the Board authorize the Executive Director or his designee to enter into negotiations and extend the contract for concession services at Kartchner Caverns State Park for a period of one year.

Board Action

Mr. Porter: I move that the Board authorize the Executive Director or his designee to enter into negotiations and extend the contract for concession services at Kartchner Caverns State Park for a period of one year.

Ms. Stewart noted that this item is listed for discussion with legal counsel under Executive Session.

Mr. Porter withdrew his motion for discussion under Executive Session.

5. **Consider Funding FY 2004 State Lake Improvement Fund (SLIF) Grant Projects** – Staff recommends awarding \$1,268,412 to the 9 highest-rated projects listed on the summary list.

Ms. Stewart stated that she thought staff did an excellent job running a special grant cycle. She is very comfortable with the recommendation. She has only one question that does not have any bearing on the Board supporting staff's recommendation.

Chairman Hays noted that there are a number of people present who wish to speak to this issue.

Mr. Bob Whelan, Mayor, Lake Havasu City, addressed the Board. He stated that the project for which they applied for a grant is called Body Beach. It is estimated to cost \$2.8 million. They are very grateful that the staff has recommended approval of a \$294,000 grant for this project. This means the City of Lake Havasu will be using \$2.5 million General Fund money to complete this project. As many of the Board know, Lake Havasu generates 40% of the SLIF money that comes into the fund. Much of this is due to the promotional efforts of Lake Havasu City to bring in tourists, fishermen, and others to the lake. A great deal of it has to do with the facilities such as the Body Beach project that the City has provided. Therefore, they would like to request that the approximately \$250,000 of unallocated money in the SLIF fund be added to their grant.

Mr. Porter asked why those funds were held back.

Ms. Hilderbrand reported that all 10 projects that applied for the grant money are eligible for funding. All were rated and scored within the Strategic Plan guidelines (50% may be over 80 points and 50% may be under 80 points). The reason staff are not recommending funding all of the projects for Maricopa County is because of the cap on this money. Maricopa County is asking for more than 20%. Staff are not recommending funding for their final project. Staff are only recommending funding of the first project and half of the second project for which Maricopa County applied for funding because that takes them to the 20% cap.

Mr. Porter asked if they would be able to apply in the next cycle.

Ms. Hilderbrand responded affirmatively.

Ms. Stewart stated that she had a couple of questions. She noted that there were actually three projects for which Maricopa County applied. One project is recommended for full funding; one is recommended for partial funding; and one is recommended for no funding. In order for Maricopa County to get additional funds on the second project, they would have to somehow break the project up. The Board would have already awarded a certain amount for that project. It's not that easy to necessarily come back for additional funding on the same project.

Ms. Hilderbrand responded that often times when this happens they agree to take that much and find the rest of the money elsewhere. Occasionally they will reject the money. It could go either way.

Ms. Stewart stated that she had a question about Maricopa County's third application – the SP Cove Recreation Site Ramadas. The materials provided indicated that this is a joint project with the Tonto Natural Forest. She asked if this is a grant program that is limited to cities and counties.

Ms. Hilderbrand responded that is why they are going through the County.

Mr. Travous noted that Board Member Mr. Winkleman called and stated that the Arizona State Land Department supports passage of Lake Havasu Body Beach acquisition and development grant.

Ms. Stewart noted that the Board received an E-mail from Mr. Winkleman.

Mr. Porter stated that he never likes to propose that the Board make exceptions to policy. But, at the same time, policies that are not flexible to be able to deal with situations are policies that should probably be reviewed. In this particular case, all of the money in this special grant cycle came to the Board unexpectedly in the sense that they were funds that were not utilized by Lake Havasu in a previously-approved project. Truthfully, it was probably as much oversight as anything on their part that they did not have the original grant written broadly enough to justify being able to cover the Body Beach acquisition. That is, quite frankly, a project that really concerns him. He knows what the Mayor said. Obviously they will do everything they possibly can to get the money together to make it happen. However, it is certainly not a certainty and Mr. Whelan did not imply that the \$2.5 million is just going to come to them. It's not that easy. Nor is that project unthreatened. There are in fact private development concerns who have a very strong interest in that property. He has a very real fear that it really needs to be pushed and really needs to be supported. He does not propose to take anything from the other proposed grants that have been recommended for funding. Since there are funds that are in this cycle that have not been allocated, he does support the concept that it is appropriate to make an exception and to award those unallocated funds.

Board Action

Mr. Porter: I move that the Board approve the funding as it's been proposed by staff with the exception that unallocated funds in the cycle be awarded as an addition to the grant on the Lake Havasu Body Beach project.

Chairman Hays asked if the Board has done this in the past.

Ms. Stewart responded that the Board has, but not quite like this. She has some concerns.

Mr. Cordasco seconded the motion.

Ms. Stewart stated that she is very comfortable with the staff's recommendation. She agrees that Body Beach is a very good project and should be funded at the amount recommended. She believes that the Maricopa County projects are very good, too. She disagrees with some of the statements made about the history of the project. She noted that the Board met in Lake Havasu and, later, had a special meeting. During that time she not only reviewed staff's entire file but also reviewed the Minutes of the many of the City Council meetings from Lake Havasu and would disagree with the previous statement of the facts. She believes that it is important to note that the reason there was extra money left was because there was an appraisal or an estimate of the cost of the other beach that was being purchased. The original application was only for the other beach and, in fact, at the City Council meetings they did not even talk about Body Beach at the time that application was made. This may be something that is part of their overall vision, but Maricopa County and all of these other applicants have other projects in mind. This was not money that belonged to Lake Havasu. It was money

that was being held based on their representations which turned out to be inaccurate that the value of the other beach (Windsor Beach) was going to cost that much. It was because of their error that the money was perhaps not awarded to someone else originally. She does not see this as their money. She has a real problem with saying that the money will be given to them rather than Maricopa County. She believes it is a bad precedent. She believes the 20% cap has a purpose. The Board has a limited amount of money and is trying to do as much as possible around the state. She had concerns in the past. There have been times when the Board felt they should spend all of the money because maybe it wouldn't be there in the future and went ahead and funded some projects that didn't really score that high. This project does not fall into that category, but she thinks staff have done an excellent job in dealing with a difficult situation and the Board should support that recommendation.

Chairman Hays asked if they can come back for another grant next year.

Ms. Stewart responded that they can come back next year. She noted that they may not get the money for that project, but there are other projects that they have in the works and they could apply for one of them.

Chairman Hays noted that Body Beach is a very important project. It is in the Master Plan for public recreation at Lake Havasu City. He would like to help wherever possible. However, if an exception is granted in this case everyone else will want an exception, too.

Mr. Porter responded that he isn't sure that's entirely true. At least he doesn't think it's safe to assume they can get additional funding for this project. This is a purchased project and will have to be accomplished and accomplished very quickly. There are people hovering in the eaves who really want to get their hands on that property for development. There is concern that if they don't come up with the money they need to make it work, ultimately it may be that it just doesn't happen. That would be an unfortunate loss of that property. There were discussions yesterday about this being one of those areas that has a cohesive plan that we could be a part of down there to make things happen. He believes that it's not only commendable, but it's a graphic lesson that should be observed by other communities and parks in the state. He would like to see some of the communities closer to his home engaging in this type of activity.

Mr. Porter stated that he certainly did not suggest that this was "Lake Havasu's money". He did suggest that it came back to the Board from an excess that was in a grant, for whatever reason. When the Board awarded that grant in the first place it was an exception to policy. There was recognition that it was an important process. He is not enslaved to the 20% cap. He may be the one member of the Board, quite frankly, who doesn't like the 20% rule. He believes it sets an artificial barrier. He believes that time and again the Board can look at situations and be realistic. There have been times in the past in which the Board has awarded grants simply because of the 20% cap that we probably would have preferred to put that money into a different project that had a higher priority. He voted against a couple of those because he felt they simply did not meet the criteria and should not receive money just because the money was there. He persisted in suggesting that even though it's only \$203,000 (it's not a huge chunk of that additional \$2.5 million), every small bit helps. He is aware that there was another project that was going to be proposed from Lake Havasu from the Fire Department that

was in the works that they specifically held back and did not bring forward unlike Maricopa County who presented three separate projects as proposals. Lake Havasu did not do that. They simply gave their priority to this project. He believes it is a project that is appropriate. He certainly respects Ms. Stewart's comments, but he respectfully disagrees and persists in his motion.

Ms. Stewart noted that by taking the money back the Board followed its policy as opposed to not following it. She wanted to make another motion.

Chairman Hays noted that the motion on the floor was seconded and asked Mr. Porter to restate his motion.

Mr. Porter: I move that the Board approve the funding as recommended by staff with the exception that the unallocated funds which are approximately \$203,000 would be added to the Lake Havasu City project for funding.

Mr. Cordasco seconded the motion.

Ms. Hernbrode advised the Board that she had legal concerns with that Motion and Board Action. She preferred not to give that legal advice in Open Session.

Chairman Hays noted that the motion on the floor is to approve the grants as recommended by staff plus award the extra \$203,000 to Lake Havasu City. He called for a vote on the motion on the floor.

Because the Board appeared to be split (2 Ayes; 2 Nays), Mr. Porter requested a Roll Call vote on the motion on the floor.

Ms. Stewart suggested that the Board go into Executive Session to at least hear Counsel's legal advice before taking a vote on the motion.

Mr. Porter deferred to the Board's Counsel and asked if Counsel felt this motion violates the law.

Ms. Hernbrode responded that she wished to restate her objection to giving legal advice in Open Session. She believes there are some concerns the Board should be aware of but she is not willing to say at this point that point blank the motion would violate the law.

Chairman Hays asked if he could refer this issue to Executive Session.

Ms. Hernbrode responded that Executive Session for legal advice for any matter on the Agenda is noticed at the top of the Notice of Public Meeting. Therefore, the Board can vote to go into Executive Session if it wishes to do so.

Chairman Hays suggested tabling this motion until the Board could go into Executive Session.

Mr. Porter responded that the Board could do that. There is a need for the Board to go into Executive Session any way.

Ms. Hernbrode stated that the Board could go into Executive Session and take all agendaized issues at that time or do an Executive Session on just this one issue and return to Executive Session later in the meeting.

Mr. Porter stated that he would prefer to go into Executive Session and get everything done that needs to be done.

Ms. Hernbrode responded that her piece is fairly small. She does want to do a presentation in Open Session of the background material for the Mabery Ranch portion prior to going into Executive Session. She did not anticipate either of the items that are agendized for Executive Session to take very long.

Mr. Porter stated he had no objection if the Chairman wished to put this motion on hold pending Executive Session and then come back for a vote after that Executive Session.

Mr. Travous stated that he believed the motion had to be withdrawn by the maker of the motion and the second to the motion. So long as there is a motion pending on the floor, the Board cannot go into Executive Session. He noted that he did not have his copy of Roberts Rules of Order with him.

Mr. Porter responded that he was not sure that is entirely accurate, but he preferred to err on the side of care. He withdrew his motion.

Mr. Cordasco withdrew his second of the motion.

Chairman Hays asked if there were any further questions or comments on this issue of SLIF funding. He noted that Mr. Bill Fogle, Chief Deputy, Gila County Sheriff's Office, was present to answer questions on the Gila County Grant or speak if necessary.

Mr. Fogle addressed the Board. He stated that he appreciated staff's recommendation to approve the grant for the Gila County Sheriff's Office for two power boats. He noted that Gila County is a small county and only 3% of their landmass is private property and taxable yet they tend to be the playground for most of Maricopa County, with 215,000-300,000 every weekend coming to Gila County. Gila County taxpayers cannot afford to buy boats and that is why they submitted their grant request. He is aware that there is money left over from the grants and he appreciates that Lake Havasu City does in fact have a wonderful grant on the table. However, he pointed out that their request was reduced by about \$23,000 and that was related to disallowed equipment. That equipment is dive gear to replace 15-20 year-old dive gear their divers are currently using. They have had many, many dives in the last two years where the equipment did not fail but the divers couldn't stay in the water as long as they would have liked to make recoveries. They not only provide diving services for Gila County, but they have assisted in Apache County in the winter diving in and through ice and desperately needed the equipment but played by the grant rules that said that equipment was disallowed. If this Board is capable of making allowances, he would appreciate the Board giving consideration of the additional dollars so he can put his divers in safe equipment to send them out to do a better job.

Chairman Hays thanked Mr. Fogle for his comments.

Chairman Hays called for a recess at 10:50 a.m.

The meeting reconvened at 11:10 a.m.

J. PARKS

1. Section Report

Mabery Easement Dispute Litigation

Ms. Hernbrode reported that the trial ended Friday of last week. She thanked Mr. Travous and the ASP staff. They were very patient both with the requests for information at the last minute and in the middle of the trial. It was very helpful. She thanked staff for their patience in receiving advice a little later than usual because of being out of town. She thanked Chairman Hays for staying through the entire trial. It was very helpful to have someone from the Board present as a representative of the Board. His efforts were certainly appreciated.

Ms. Hernbrode reported that at the last Board meeting Mr. Morrow promised that the Mabery Ranch issue would be done. It is; but it isn't. The jury came down with a verdict of \$150,000 for the filing of the Declaratory Judgment action. They found \$620,000 for the filing of the Notice of Reservation of Rights. That amount of money is trebled under the statute. They found that the Mabery Ranch Co. had a right to use Tuzigoot Road. They were not entitled to compensation for that right. But then the route the jury drew for Tuzigoot Road is not in fact Tuzigoot Road. It is the Edwards Easement that runs and 1/4 to 1/2 mile from the Mabery property into the heart of the park and stops. She does not believe that is something the Maberys wanted. Legal staff have not had time to evaluate whether it matters one way or the other to the park. It certainly is an interesting issue. Because they prevailed in this action Mabery Ranch Co. is also entitled to attorney's fees.

Ms. Hernbrode reported that essentially what happened was that Mabery Ranch Co. put on their case and alleged that their development had been impacted by the actions of ASP. Their feeling was that ASP was inconsistent and arbitrary in its actions and they asserted that their existing business was profitable and that their proposed improvements would have been profitable. Finally, they asserted that they were entitled to Tuzigoot Road.

Ms. Hernbrode reported that the Board's defense was that it could not give state resources away even if their operation were found to be wonderful; that their current operation was compatible and wonderful but that there were legitimate concerns about future operations; that they could not have expanded even if ASP had not acted because their business did not make sufficient money to support an expanded process; and that they were not entitled to Tuzigoot Road. The jury found against the Board.

Ms. Hernbrode stated that she would like to present next steps in this issue in Executive Session. She noted that Mr. Travous might have some comments to make and added that he was kind enough to sit through almost the entire trial and slugged it out for 2 1/2 days.

Mr. Travous stated that he would wait until the Director's Report to make his comments.

Chairman Hays asked for a motion to go into Executive Session for legal advice on the SLIF grant, Kartchner Caverns Concession Contract, the Mabery litigation, and the ADEQ Consent Order.

Mr. Porter made a motion that the Board go into Executive Session. Mr. Beechum seconded the motion. The motion carried unanimously.

The Board went into Executive Session at 11:15 a.m.

Chairman Hays reconvened the meeting at 11:50 a.m.

- E. 4. Extension of Concession Contract at Kartchner Caverns State Park – Staff** recommends that the Board authorize the Executive Director or his designee to enter into negotiations and extend the contract for concession services at Kartchner Caverns State Park for a period of one year.

Mr. Porter stated that he had some questions for staff. He asked someone to explain why the staff recommendation is for a one-year extension as opposed to a shorter timeframe.

Mr. Siegwarth reported that staff received approval from the Board in January to go out to bid on this concession. It took several months to prepare the RFP. There were a lot of people interested in this concession. This is an important contract. Staff also needed time to perform an evaluation. Once the contract is awarded, time will be needed for the vendors to do what they need to do regarding merchandise. Even though it expires in November, the process was begun in January. Because of all that is involved, it could take another year. This is currently what has come to be known as the slow season. To ask a vendor to ramp up in two or three months for the busy season and possibly lose the contract and eat all of the inventory does not make sound business sense.

Ms. Stewart asked if some of the inventory would not be saleable elsewhere.

Mr. Travous responded that is correct. ASP requires that a great percentage of the merchandise in the gift shop to have “Kartchner Caverns State Park” on it somewhere. Almost everything they sell has that logo. He believes that at any given time they have close to \$400,000 of inventory sitting in that shop. If they don’t bid then they will spend their last 6 months getting their inventory down to where they won’t be stuck with it. A large percentage of the merchandise can only be sold there because under the registration of our trademark that is the only place that merchandise can be sold.

Ms. Stewart asked if it is also true that if they didn’t get the contract they would then be prohibited from selling it later because of the restrictions on who can sell our trademarked products.

Mr. Porter noted that there have been negotiations with the current vendor to determine what they are willing to do and whether they would be willing to go for a one-year extension.

Mr. Travous responded that the current vendor is willing to go for a one-year extension.

Mr. Porter asked if staff took into account the possibility that the Board may need to seek statutory change at some point depending on what comes out of the Attorney General’s clarification.

Mr. Travous responded affirmatively. He added that several other agencies may be in the same situation as ASP. There are a number of agencies who are looking for statutory clarification.

Mr. Porter asked if this was taken into account in determining whether to ask for a year’s extension as opposed to some shorter period of time.

Mr. Travous responded affirmatively.

Ms. Stewart asked how much this contract is worth and how much revenue ASP derives from it.

Mr. Siegwarth responded that for this fiscal year, the concession contract at Kartchner Caverns State Park (KCSP) is \$266,000 to ASP. The previous year was \$243,000.

Ms. Stewart asked what staff are projecting for next year.

Mr. Siegwarth responded that the Big Room will be open a little longer

Ms. Stewart noted that the budget has been based upon anticipation of this revenue. If the agency were not able to continue with this type of concession contract there would be a need to go back to the legislature to have some changes made to the budget.

Ms. Siegwarth responded that it would be an impact to the budget.

Ms. Stewart noted that Mr. Travous talked about much of the merchandise sold there is specific to KCSP. She assumes that if either DES or another vendor were to take over then it would be a few months that they would need to select and order merchandise so that when they take over they will have something to sell.

Mr. Travous agreed. Another thought that occurs to him is that not only do they have the value of the concession, but another complication to all of this is a license to sell merchandise with KCSP on it. Even if they had the right to the concession, there is a question as to whether ASP would have to give them a license to KCSP merchandise. He does not believe that is included in the statutes. There are a lot of facets to this.

Ms. Stewart noted that there are additional legal issues, too. She asked if staff are planning to seek legislative change.

Mr. Travous responded affirmatively.

Mr. Porter stated that he's satisfied that there is probably an appropriate emergency situation to justify a year's extension.

Board Action

Mr. Porter: I move that the Board authorize the Executive Director or his designee to enter into negotiations and extend the contract for concession services at Kartchner Caverns State Park for a period of one year.

Ms. Chilton seconded the motion. The motion carried unanimously.

- 5. Consider Funding FY 2004 State Lake Improvement Fund (SLIF) Grant Projects** – Staff recommends awarding \$1,268,412 to the 9 highest-rated projects listed on the summary list.

Mr. Porter stated that he is not happy with the net effect that he believes the Board is boxed into. But he is satisfied that the advice from Counsel that the Board received is sound and that because of the way that the proposals came in and the way that the 20% cap has been worded as policy and reliance on that advice that the Board would be on extremely shaky, dangerous legal ground if it tampered with it at this point on a proposal such as that from Lake Havasu which was fairly specific as to the dollar amount requested. He realizes that the Board has given exemptions in the past, but

those exemptions have almost always been instances in which the actual dollar amount actively pursued in the project was proposed to be downgraded from that amount because of the 20% cap. That is not the situation the Board is dealing with here.

Mr. Porter stated that, with that in mind, the equipment that was disallowed in the Gila County grant request was eliminated not because of the 20% cap but because that equipment did not fall within the statutory requirements of what could be funded under this kind of grant.

Ms. Hildrebrand noted that in March 1996 the Parks Board clarified what was eligible. This Board said that eligible projects include only equipment required to make a patrol boat initially operational including a boat trailer, motor, lights, first aid, and a radio(s). These restrictions are not in statute. This is Board policy.

Mr. Porter stated that he felt the Board could probably not do anything about that at this point. He does feel the Board needs to revisit these policies. He thinks the Board needs to see where they are getting boxed into corners and try to provide for a little more flexibility than he believes they have.

Mr. Porter stated that, with that in mind, fairly regretfully because of the \$203,000 that will essentially sit on a shelf, he would make a motion.

Board Action

Mr. Porter: I move that the Board approve the funding of the projects as recommended by staff.

Ms. Stewart seconded the motion.

Ms. Stewart commented that she believes this action is really important in terms of the public's perception of the integrity of what this Board does. The Board has policies that were adopted, published, and given as public notice. People have relied upon that notice; they have based their requests on the published policies, and while they are policies and not formally adopted as Rules, they really have the same force and effect. They are the structures the Board sent out. People have said this is what they have been told they can do; this is what they asked for; other grantees asked for less money initially perhaps. They have no way of knowing that the Board might decide in the middle of a process to change the policies. She believes the time to examine policies is outside of the cycle and to take action based upon past experiences and what the future experiences are projected to be and not make those decisions in the heat of the moment.

Ms. Stewart stated that she also wanted to make it clear that her concern for the integrity of the process and following procedures does not in any way indicate a lack of support for the Lake Havasu project. She believes it is an excellent project. She took the time to visit the project. She would like to see it happen. She would like to see all of these projects happen. But there are various criteria and policies. She believes it is important that the Board follow them.

Ms. Hernbrode clarified that the motion includes the recommended authorization of the Executive Director or his designee to be authorized to execute participant agreements and that the action be forwarded to the Joint Committee for Capital Review for their review.

Mr. Porter noted that that is the intent of the motion and that it was just an oversight that it was not included in the motion.

Ms. Stewart noted that that was her intention as well.

Mr. Hays called for a vote on the motion on the floor. The motion carried unanimously.

- 6. Consider Restoring Funding to the Suspended OHV Recreation Fund Grant Projects** – Staff recommends restoring funding to the ten suspended Off-Highway Vehicle Recreation Fund projects.

Board Action

Mr. Porter: I move to restore funding to the ten suspended Off-Highway Vehicle Recreation Fund grant projects.

Mr. Beechum seconded the motion.

Ms. Stewart stated that she had two questions. She feels very strongly that the Board needs to restore the funding and that it also relates to the integrity of the process and reliance of the applicants on the Board's promises. She requested background on what staff did relating to how much time the applicants will get to complete their projects since there was this interruption.

Ms. Hilderbrand responded Mr. Baldwin is the Grant Coordinator for this program. There has been quite a bit of discussion on this issue. It would pretty much be project-specific. Many of these projects were fairly far along. Staff would negotiate how much time is needed with the recipients. Some of them had just gotten started. Staff would want to give them either the original two or three years they felt it would take.

Ms. Stewart stated her second question. She noticed that most of the projects are pretty far along and there is probably not a lot of question on them as to whether the projects will be completed. There are a couple that are 2% completed; 30% completed; 60% completed. As far as staff's discussions with these applicants and their desire to resume, do staff have some reasonable assurance that they are in a position to proceed and complete their projects?

Ms. Hilderbrand responded that staff have been in contact with all of these applicants. She believes every single one is willing and in a position to proceed. They are required to submit quarterly reports to ensure that they are making progress. Staff would just reinstitute the original process they agreed to in the very beginning. They are required to submit all their reports and staff will keep tabs on how progress is being made on the projects.

Chairman Hays called for a vote on the motion on the floor. The motion carried unanimously.

- 7. Approve Proposed State Park Fees Revisions** – Staff recommends approval of the fee schedule format, park-specific fee levels, and the administrative caveats as presented by staff for implementation on October 1, 2004.

Mr. Porter noted his concern that as it has been set forth to be polished and presumably posted and publicized, it still does not accurately reflect what he pushed so hard to get and received a favorable unanimous vote for in May on the issue of the below 14-year-

old children. The motion he made was, "I move that the Arizona State Parks Board direct staff to amend its fee proposal to allow children 7-13 free admission who are accompanied by an adult 18 or older with paid admission" other than the groups for the specific named parks. The proposal does say it, but it sets forth a fee with an asterisk where one has to go down to a footnote that says that if the child is accompanied by an adult over 18 paying full admission the child gets in free. He doesn't like that. It doesn't go where he wants it to go. He would prefer that it say "Free*" to be accompanied by a fee-paying adult.

Mr. Porter added that that leads to something that hasn't been totally been discussed. The Board are really saying that if a child under 14 years of age is in one of the parks, he/she needs to be with an adult. He's not so sure that's a bad thing. That specific issue has not really been dealt with. Logically, if the Board are saying that in order for admission to be free two 12-year-olds could come to the gate and offer to pay the fee since they are there without adults. Whether there's an issue with that kind of scenario is another question to be taken up at some point. He is throwing that out as something that needs to be considered down-the-road. For the moment, he would like to see this say "Free" with an asterisk and the proviso being accompanied by a fee-paying adult. He would like discussion from staff and Board members as to whether he is being too picky on this. He knows what he wants to accomplish on this and wants to be sure it is.

Ms. Stewart stated her agreement with Mr. Porter. She added that the part with group discounts is somewhat confusing as well. By changing the whole thing it can be turned around to make the entire fee structure clearer to the public. Having the fees, having free, and then having "group fees" as opposed to "group discounts", then having the asterisk that indicates the number of people to get the special fee would be clear. When looking at the fees for adults the first reaction is that adults only have to pay that much. It appears to be the discounted fee as opposed to the amount that has to be subtracted from the other. It would be easier to state the fee as opposed to the discount. She does feel strongly that the column that says "Daily Entrance Ages 7-13" should have the word "free" written in rather than amounts. There should be an additional column that deals with the ones who are part of the organized groups. The problem would mostly be solved if it were made free for all children and note that they can't be there unless they are accompanied by an adult and groups of a certain size need to make prior arrangements. She believes that would eliminate all of the problems rather than charging them differently. The schools are charged a program fee and that would not change.

Mr. Ream responded that the product the Board sees before them may not be how it will be posted at any given park. This is the product that will be posted with the Secretary of State's Office. These fees can be interpreted and marketed in any way the Board wants. This is a format that has been used for the Secretary of State's Office for so many years that he believes the agency has bound itself to this way of representing its fees. The actual table the Board sees before them on page 9 was invented just so staff could be specific with each park fee. When the Board passes its motion each park fee could be read aloud. There was discussion at the Board meeting in May about making specific motions. The Board could pass this with specificity. The free fee for children can be marketed in any way. The signs at Yuma Crossing could read "Children 0-14 Free When Accompanied by an Adult". It can be marketed in any way. The other

reason for having it this way is that someone could come to staff and say, "Your thing said free and you charged me \$2," if it says \$2 and they were charged \$0, there will be a lot less complaints than if they are told it is free and then charged \$2 because they didn't comply with the caveats.

Ms. Stewart stated her disagreement. She doesn't believe that the Secretary of State requires this format and she doesn't think the agency is bound to it simply because it's been done this way for the last 20 years or whatever. She thinks that a lot of people don't read small print. The thrust is to get these children into these parks. If we don't start getting the younger generation in there, there won't be the needed support in the future. If it's going to be such a problem with the chart, then she would say let them all in free and not have any asterisks and just say that they must be accompanied by an adult. Groups of a certain size must make prior arrangements and there is a fee for school programs. That solves this problem and gets to what the Board's policy really wants to be – to encourage people to bring their children in and not to make them think that they have to pay that extra money when they first look at it. A lot of people don't look beyond this list. This is what will be published on the website. This business of publishing it one way here and another way someplace else disturbs her. She believes that it should be as clear as possible and as inviting as possible.

Mr. Ream responded that the entire fee schedule is not posted in any specific park. It is posted on the website.

Ms. Stewart stated that she is very concerned about that. The younger generation's parents use the Internet. She believes that it is important that be done.

Mr. Ream responded that his sense of the Board's desire is, referring to page 10 of the Board packet, the column under Daily Entrance Fee, Ages 0-6 should read "free" all the way down; the column Ages 7-13 should read "free" all the way down.

Ms. Stewart suggested having one column "Ages 0-13" free. "Ages 14 & up" would remain the same. The third paragraph ("These fees are charged on a per-person basis) would eliminate the second sentence and just state that program fees for children aged 7-13 apply at Riordan Mansion. There would also be a statement that all children under age 14 must be accompanied by an adult while in the park. It really has nothing to do with whether the adult pays or not; we don't want to become babysitters. The "Group Discounts" column would then be "Group Discount Fee" and eliminate the column "Ages 7-13" and "Ages 14 & up" would say "Group Discount Fee". Rather than having the amount subtracted, it would show the actual amount being charged. People shouldn't have to do the mathematics.

Mr. Porter agreed.

Ms. Hawks noted the fees in the 14 & up column are the actual fees. She agrees that the columns should change.

Ms. Stewart noted that the Board is trying to make this as clear to the public as possible so as not to discourage participation and visitation.

Mr. Ream suggested one additional change. He referred to page 9, Roper Lake. He would like to change the \$6 for Vehicle Admission fee to \$5. The Discount Fee would remain at \$3, giving a \$2 savings during the off-season.

Ms. Stewart thanked staff for that suggestion. She believes that is consistent with comments Board members have made in the past regarding the depressed economy and difficulty with their competition in New Mexico charging less.

Mr. Porter stated that he had no problems with those changes.

Mr. Ream stated that he would create a staff recommendation that encompasses all of the recommendations he received this morning from the Board and request the Board to move that recommendation. The fees the Board sees before them are on pages 9 and 10. Pages 9-14 include all of the different fee tables. Staff will not include those different fee tables. The Board recommendation will talk about only those on pages 9 and 10. On page 9 the Roper Lake fee will change from \$6 to \$5 per vehicle on the 1-4 adults. All other fees on that page will remain as is.

Mr. Ream added that on page 10 staff will change the wording under the staff recommendation, the second paragraph, "For the following Historic Park facilities, the following administrative caveat for children ages 7-13 is recommended for implementation" will be struck. There will not be a caveat.

Mr. Ream stated he would read what is there now and then the changes the Board requested. "These fees are charged on a 'per person' basis." That statement will be struck because there will be no per-person charge for children between the ages of 0-13. "Children ages 7-13 when accompanied by a paying adult of age 18 years or older will be admitted free as long as the child is not part of an organized group at all Parks listed below except Riordan Mansion" will be changed completely to read, "Children part of an organized group will be charged a \$1 per child program fee when applicable." That would be a school group attending a program. That means ages 0-6 and 7-13 are free. Every column except Riordan guided tours will read free. Keeping both columns on the chart is consistent with KCSP. There will be a column under "Group Discounts" that says children's program fees - \$1 all columns.

Ms. Stewart asked if that includes ages 14 and up or just to age 13.

Mr. Ream responded that under program fees if they are part of a school group and are 14 and up it would still be \$1.

Ms. Stewart noted that "adult" has been defined as being 14 and up and "child" as under 14.

Mr. Ream responded that secondary schools have not been an issue. He is trying to incorporate everything. It could be referred to as a "school/group program fee". Some groups may not be a school per se.

Ms. Stewart asked if this would be a 7-18 or 7-17 column. We don't want to limit ourselves.

Mr. Ream suggested just calling it a "school group". The Park Managers could determine if it is a school group and whether they are required to pay the school program fees. In one case they are entitled to it and receive a discount if they are ages 14-18. In another case they have to pay.

Mr. Ream noted that paragraph 3 on page 10 has been eliminated. The replacement paragraph for the existing paragraphs 2 and 3 will read, "All children ages 0-13, inclusive, will be free unless subject to special program fees."

Mr. Ream noted that there are three columns, the two free columns and the new program fee column. "Group Discounts" will be deleted and it will read "Group Fees". The column for "Ages 7-13" will no longer exist. It is possible for one to be part of a group but not part of a school group. In cases such as a bus tour, the children would remain free. That is the reason for eliminating that column. The Group Discounts statement will remain the same. "Group discounts are available where listed. A group is 15 persons or more with prearranged arrival. All persons in a group, regardless of age, apply toward a group's number." Under that statement, two parents and 13 children would be eligible for group discounts provided it was prearranged.

Mr. Ream stated that, given those changes, he would make that the current staff recommendation.

Ms. Stewart noted that she did not hear mention that children under the age of 14 must be accompanied by an adult while in the park.

Mr. Ream agreed that the statement, "Children under 14 must be accompanied by an adult while in an Arizona State Park" will be added.

Ms. Stewart noted that the Board does not want parents showing up at the gate, paying their fee, and leaving their children there unattended. There are liability issues.

Mr. Beechum asked if it is a policy that children under 14 will not be allowed in the park period or is it just related to the fees.

Ms. Stewart responded that they must be accompanied by an adult.

Mr. Ream noted that the whole idea of letting children under 14 in free was that they brought a parent with them.

Mr. Beechum responded that the only problem he would have would be with those kids 12-14, those teen years age.

Mr. Ream responded that the Park Managers have to make decisions based on the policies every day regarding how many people can be there per campsite, etc. Sometimes policies don't fit every situation. This at least gives them an opportunity to say no if necessary. Some kids just won't be allowed in unless there is an adult with them. There are some kids, however, who may just be making a special school report and wants to check out the exhibits so they can write their report. That might be one time where a Park Manager would say, "Oh, OK, go ahead."

Mr. Porter noted that at that point in time the Park Manager has taken the, "I'm the adult" viewpoint for that particular visit.

Mr. Ream stated that, speaking for staff, he could live with that recommendation. He recommended, for staff, that the changes the Board made to the schedule are on pages 9 and 10 only and that that is staff's fee recommendation.

Mr. Ream added that this has been a very long, long process. Staff have been at it for about two years. He thanked Ms. Hawks, the Region Managers, the Park Managers,

their staff. Everyone knows about these fees except for the changes made today. Staff are ready to implement these fees. There could be mistakes; staff may be back to the Board for additional changes. The agency has never done a broad sweeping fee philosophy change in the 25 years he's been with the agency. In the past fees were just raised a \$1. There's never been a huge philosophy change like this before. Just like with the Annual Pass fees where staff came back, staff may come back a few months after implementation with something that needs to be fixed. Staff believe these changes will have a net zero result. It's hard to tell whether the recent increase of size of some of the campgrounds and application of some of these discounts to encourage visitation in the off-season may encourage new visitors resulting in a net positive result. Based on current visitation and trends staff believe there will be a net zero result. On the other hand, with the discounts being offered and the new Marketing Plan approved this morning, staff believe that some of these discounts could encourage greater attendance during the off-season and allow the agency to make some money that it didn't before. One can only go to Catalina State Park for a few hours early in the morning during the summer. People might do that for \$3; they won't for \$6.

Ms. Stewart suggested staff missed changing page 12 of the Board packet.

Mr. Ream noted that it is the same chart, but the staff recommendation and the motion is only based on pages 9 and 10. The Board have seen these iterations in the past. Staff tried to put them into formats that could be read.

Ms. Stewart asked if anything further needs to be done to ensure any printed fee schedules are in the format discussed where the word "free" shows up as opposed to the way it is set forth on page 12.

Mr. Ream assured the Board that the format will conform to the Board's wishes.

Ms. Stewart stated that she appreciates all the effort staff have put into this. Her comments and requests for various changes have been in the spirit of wanting to be sure the Board is doing the right thing. She does not know of any area that more reflects the policies and the philosophy of the Board than what it decides to charge for its services. She believes that the driving force is that the Board wants to look at new ways to get more people into the parks. She has continuing concerns that some of the fees are still a bit high. She wished the Board were in a position to have them lower. She visits state parks in other states where the fees are lower. They not only have more people there, they have more people going there. She believes this will be an ongoing process. She understands that part of the marketing and research plan next year is to see how people feel about the fees. It is an important area where the Board needs to know what people are thinking and how they feel about them. She can go along with all of this because she knows staff will continue to look at it. It's a difficult process and there has been a lot of hard work that all the staff involved have put into it. She does appreciate that effort.

Mr. Ream referred to page 13 of the Board packet. The current off-season for KCSP is July and August. Staff would like to change that off-season offer to August and September. Staff assumed the off-season was July and August; it has turned out to be August and September.

Board Action

Mr. Porter: I move that the Board adopt the fee schedule that has been proposed by staff with the specific changes outlined for the record by Mr. Ream.

Mr. Beechum seconded the motion. The motion carried unanimously.

Mr. Ream added that the implementation date is October 1, 2004.

8. **Approve the Capital Improvement Plan for Fiscal Years 2006 and 2007** – Staff recommends that the Arizona State Parks Board approve the Arizona State Parks Capital Improvement Plan for Fiscal Years 2006 and 2007 as presented.

Mr. Ream reported that every year staff provides the Board with a Capital Improvement Plan. Every year staff report that the Capital Improvement Plan is a “wish list”. Very seldom is this entire Capital Improvement Plan fulfilled. He referred the Board to the Capital Improvement Plan contained in the Board packet and noted that there is no Enhancement Fund, therefore \$4 million will not be funded. Any project that has “EF” next to it will not be funded. Anything that says “SLIF” next to it will probably not be funded because of the realities of the budget cuts. However, staff are required to submit a Capital Improvement Plan every year and anticipate that everything will be fully funded. As was pointed out yesterday, some of the Capital Improvement plans approved for 2004 have not even been started. They are there; they are in the queue, they will probably be redesigned and re-looked at. This is something staff have to do for the Department of Administration (DOA) in order to designate the Capital Improvement Plan over the year. He noted that there could be programs that should go before these projects. The Board will have the opportunity to know what projects are being worked as the agency moves through them.

Mr. Ream noted that priorities in this plan are not set in stone and can be changed. The projects to be worked on next are always reviewed by Executive Staff. No one more than he wants the Fort Verde Support Building to get under way. It has a number one priority. The park would certainly be served well with this building that would house museum exhibits, administration, etc. He feels the same for the sewage treatment plant at Lost Dutchman State Park, which is lower on the list. It really is a matter of the Development staff looking at these priorities as well. He asked that the Board not be too concerned about the priorities, but that they look at this wish list and know that it will not be completely fulfilled. He has to do the Capital Improvement Plan and requested that the Board approve it as written in the staff recommendation. Staff will continue to provide the Board with updates on the Capital Improvement projects as they progress.

Ms. Stewart noted that there is \$50,000 for trails for Yuma Prison and Crossing (#3 on the list on page 16 of Board packet) from Trails money. She asked if there is a Trails project there.

Mr. Ream responded that there are a couple of Trails projects there. One of them goes down to the river. It also happens to be the crossing for Anza. It's part of the National Trails program. Staff thought this might be a good place to commemorate the crossing of the Colorado River since there are already visitors there. Some of the money will be used for interpretive signs and complete the Anza Trail project.

Ms. Stewart asked if staff have reviewed this list in view of the new Vision and evaluated the items in it to see that they are consistent with that Vision and will the Vision be kept in mind when deciding which projects to tackle first.

Mr. Ream responded negatively. As things progressed, these things were moving simultaneously. As staff decide which project to do next and how to do it then staff will keep the Vision in mind and apply that new Vision towards the projects. The development of this list and the new Vision pretty much occurred simultaneously.

Ms. Stewart noted that last year a Capital Improvement Plan was approved for FY 2005 and 2006. This year it is FY 2006 and 2007. She asked if FY 2006 changed from what the Board approved last year and what is being recommended this year.

Mr. Ream responded there were no significant changes. Mr. Ream noted that the Yuma projects are still there for FY 2006 because staff are still hopeful of receiving the Natural Heritage Areas match. Staff constantly "plug" Yuma into this list for that reason. For the most part, FY 2006 is a carryover from last year's 06 and FY 2007 is new.

Ms. Stewart stated her concern about the small amount of funds that are devoted to ADA Compliance. She believes that the agency should be thinking about increasing that amount if funds are available.

Mr. Ream responded that those funds are not spent every year and they don't disappear. They are Heritage Fund so the \$87,500 is in addition to probably more than \$200,000 available in that fund. Money is allocated every year to ADA but the maximum is not spent.

Ms. Stewart asked if moving on those projects could be made a higher priority. There are a number of them that are stuck in the pipeline.

Mr. Ream responded that he is not aware of any specific project in the pipeline. Most of the compliance is to fix existing places. A great deal of this money will probably be used at San Rafael to make the house ADA compliant. There is always a new ADA compliance issue. ADA money was provided for the new ramp at Riordan Mansion.

Ms. Stewart stated that her concern is not so much how much money is in the bank; it's actually getting the improvements made.

Mr. Ream responded that he duly noted Ms. Stewart's comments and stated that the emphasis has been Project 11 for the past few years. This will be a relatively clean year because not everything will be revenue driven. Those revenue projects are beginning to bear fruit. Staff is working on Tubac in order to get it ready for the 50th Anniversary, as well as the Yuma parks.

Ms. Stewart stated that she is pleased to see that there is some emphasis on some of the historic parks.

Board Action

Mr. Porter: I move the approval of the Arizona State Parks Capital Improvement Plan for Fiscal Years 2006 and 2007 as presented.

Ms. Stewart seconded the motion. The motion carried unanimously.

Mr. Porter noted that there is an Agenda Item on the Executive Director's Compensation. He noted that the Board probably should go into Executive Session at this point.

Ms. Hernbrode stated that counsel has no legal advise.

Ms. Stewart noted that in looking at the Agenda for the Executive Director's Compensation, she believes it is noticed under the wrong provision. It is noticed as discuss or consult with designated representatives of the Board in order to consider its position and instruct its representatives regarding negotiations with employee organizations. There are no representatives or employee organizations. It would more appropriately fall under the section dealing with discussion of personnel issues. She believed it could be discussed in Open Session to the extent it can be but not in Executive Session.

Mr. Porter agreed.

- 9. ADEQ Consent Order** – Staff recommends that the Arizona State Parks Board authorize the Executive Director to enter into the Consent Order with ADEQ upon reaching an agreement on acceptable terms.

Mr. Porter stated that he has some problems with this recommendation. He, as a Board Member, is not prepared to abrogate having the opportunity to actually see the proposed Order and review what it really does. The initial copy was not acceptable. He is concerned about what the agency enters into. He understands its importance and he understands the critical nature of the timing. Having said that, he needs to hear discussion on this issue.

Mr. Travous stated that the agency is pursuing remedy without having to do the Consent Order. A new employee has been hired for that purpose. He shares the Board's concerns. "Consent" says to him that he feels good about it; he doesn't. The remedies beyond that for DEQ are the most stringent. It was explained to him that we are both consenting how to handle this situation. His biggest fear is this. If DEQ would have been predictable in how they were going to handle violations, paperwork, etc., then he would be a lot more comfortable in signing the Consent Order. The fact of the matter is that they have not been predictable. That is what gives him the most pause in this. It's the devil you don't know in this Consent Order that dictates how things will play out. On the other hand, he has staff who have looked at this. The new staff person who has just been hired, along with the other staff who looked at this, tell him they are not afraid of the Order; there are procedural things that need to be put in place. They are comfortable with him signing the document. He knows that that's not where the buck will stop. That is probably why he is uncomfortable with it. The staff's recommendation is that this is very doable, and with the addition of the new staff member, are comfortable with him signing the document. After the last meeting he received a phone call from DEQ and was told, "We will have a Consent Order and you will sign one." He response was that it would have been a lot easier had they taken the time to give ASP that Consent Order they wanted signed prior to the last Board meeting. He understands that the last thing the Board's counsel tried to get added into the Consent Order regarded ASP not being able to do anything if the legislature doesn't give it money to correct the deficiencies and that was not acceptable to DEQ. The feeling, from staff, is that DEQ has gone as far as they will go. There may be some

things he can negotiate with Mr. Owens, the head of DEQ. He spoke with the Governor's Office about the situation. They certainly do not want this boiling up. There are some things that may need to be sorted out between the two directors.

Mr. Porter noted that his primary objection was that it was not apparent to him at the last meeting whether or not the agency could comply with everything contained in the Consent Decree. At the time staff did not believe they could. His concerns were mainly in regard to the time frames. He asked if those time frames were modified. He understood there were discussions about coming up with something staff could live with in that regard. He would like to know if that happened and if staff can give the Board assurance that if the Board agrees to the Consent Order that the agency can comply with this decree.

Mr. Ream responded that there are several answers. Yes, the time frames of the original Consent Order the Board saw were modified to staff's satisfaction. However, many of the things in those timelines were removed. Those staff knew couldn't be made because of procurement reasons and development costs were removed. Because of this Consent Order, within 365 days the agency must identify those areas. At some point staff will have to provide a timeline in which they can be fixed based on the agency's current economic stand. The third part of that answer lies with the employee the agency just hired. He noted that Jean Emery is Chief of Resources Management; Paul Govino is Chief of Development. They interviewed Mr. Chuck Orr, who has 23 years' experience with ADEQ. He retired from ADEQ a year ago and has returned to work full time with ASP. Mr. Orr has reviewed the Consent Order. Mr. Orr will explain to the Board how he feels he can handle compliance. He is the key person to Mr. Ream's being able to say that the agency can make those timelines. Mr. Orr currently reports to the Resources Management section even though he is identifying development issues in the system. It is not wise to have the Development Section regulating development. This is the purpose for creating the Resources Management Section. These people cannot report to the Chief of Operations nor the Chief of Development. Operations relies on visitation and Development relies on development costs and other priorities. Mr. Orr is here to say what outplays what. That is why he is in Resources Management.

Mr. Orr stated that he has more than 23 years' experience with ADEQ. He has more than 25 years in the field counting his experience in Minnesota prior to coming to Arizona. His experience is primarily in inspections, training, rule development, and construction inspections. He believes he can cover all the subjects that they have included in the Consent Order. He has reviewed the time frames. If the agency stays in compliance with the time frames there are no penalties to be paid. As long as he is given the time and resources to accomplish those things that are in the Order, he doesn't believe the agency will have any problems meeting that schedule. The Park Managers have already begun doing some of the sampling that was deficient.

Ms. Stewart noted that Mr. Orr said he had the qualifications but that he needs to be given the time and resources. She asked if he was talking about needing additional staff or equipment. She asked what resources he was referring to.

Mr. Orr responded that he has been making the rounds with the parks since July 6. He has inspected all of the Verde Valley parks. This week he is looking at Riordan and Homolovi. He plans to make trips to the other outlying areas to see what needs they

may have and what the conditions of those facilities are. One of the major items ADEQ want is to have current inspection information regarding the status of the parks' water and utilities. As he goes throughout the system he will identify certain deficiencies. Some may be in the area of capital improvements. He will pass that information along to his superiors. When he talks about having the resources, he needs to be sure of getting needed capital improvements in a timely fashion so as not to violate that Consent Order. He believes that the agency needs to show a good faith effort. He worked with ADEQ and other state regulatory agencies since 1979. The comment the Director made about inconsistency does not surprise him. Many of the people at ADEQ know him. He believes that so long as the agency can show them a good faith effort he is not too concerned about compliance.

Mr. Ream noted that when Mr. Orr talks about resources for capital need, the repair of any deficiencies found is not part of the Consent Order. The identification of the deficiencies is part of the Consent Order. We do not have to worry that we don't have the capital funds. However, if Mr. Orr finds a deficiency, he guaranteed that staff will search for the funds from whatever source they can to correct that deficiency. In the case of a large capital improvement there is certainly ample ammunition to go before the legislature and identify them, let them know ADEQ wants them fixed, and ask for the funds to do so. He cannot imagine that there is a need like that, but it certainly gives the agency plenty of power under a Consent Order to ask the legislature for additional capital funds for a major capital project that has life, health, and safety implications.

Ms. Stewart noted that she shares Mr. Porter's concern that this is a serious matter. She is not comfortable saying the Director can enter into whatever Consent Order he thinks is appropriate. On the other hand, she is concerned about taking the attitude that the Board does not need to do something quickly. The next thing that happens could be that the Board could find themselves in a hearing. She believes that the Board may very likely have to sign a Consent Agreement but that it needs to be brought back before the Board. She believes it could be E-mailed to the Board with a follow-up conference call duly noticed. She does not believe this is something the Board should delegate.

Mr. Porter stated that he feels much the same way. He also is concerned and does not want to put the agency into a situation that causes a real problem with ADEQ. He knows they have been pushing to get this Consent Order signed. He questioned where things stand if staff takes the luxury of time to get the actual proposed final draft to the Board and then try to seek approval either through teleconference or whatever. He asked if that will cause a major problem for staff.

Mr. Ream responded that on June 11 staff E-mailed and/or snail mailed each Board member a copy of the Consent Order. Those changes Ms. Emery listed in her June 8 cover letter are all to be incorporated into the Consent Order. He can get a written Consent Order incorporating these changes (technical changes for the most part). His staff recommendation stands that this Board can give the Director the authority based on the changes they received on June 11 and that he could enter into an agreement. Staff believe they can satisfy and within one year dissolve this agreement as long as they are provided with timelines for correcting deficiencies.

Ms. Stewart stated that she has concerns with what staff has told the Board. She thought staff earlier said that there were changes to the Consent Order in terms of dates and other things and that some items were removed. That is not what the Board has received so far by E-mail.

Mr. Ream responded yes and no. ADEQ changed the dates to staff's satisfaction. Those changes are listed in the June 8 cover memorandum.

Mr. Porter asked if all the Board members received that memorandum. He did receive it and is comfortable with what it said.

Ms. Stewart stated she was not sure she got it.

Mr. Porter noted that a memorandum came after the draft Order in which they outlined what staff were going to try to change.

Mr. Ream responded that it was not what staff were going to try to get changed; it was what was changed and some technical grammatical changes. He apologized if some Board members did not get the memo. The memo talks about the timelines and the changes ADEQ has made from the previous copy the Board received in May. The memo outlines those changes and indicates a couple of changes that still need to be made (grammatical and one that suggested "wastewater" be replaced by a specific provision in Section III). Staff can live with the term "wastewater" if necessary.

Board Action

Mr. Porter: I move that the Executive Director be permitted to enter into the Consent Order with ADEQ on the terms presented to the Board which include the changes as outlined in the memorandum of June 8, 2004.

Mr. Cordasco seconded the motion.

Ms. Stewart noted her discomfort about the Director's comments that he was not comfortable entering into this Consent Order. At the last meeting Mr. Porter said the Board wanted the Director's assurance that this can be done and that he would be held to it. She has not heard that assurance from the Director today.

Mr. Porter stated that he believed he heard it from staff. At this stage of the game he is more concerned about hearing from the person who was hired to see that it gets done and that Mr. Ream is comfortable that the agency can comply.

Mr. Travous stated that if the Board is asking him if he is willing to put his job on the line over this Consent Order his answer is, "No." That is the way it was posed at the last Board meeting. And that is why he is uncomfortable. He does not generally put himself in those kinds of positions.

Mr. Porter stated that, in making the motion, he still has discomfort. At the same time, this has to come to a head. He is hearing from the people who are going to make it work that they feel it can be made to work. He believes the Board has probably gone as far as they can with what they've heard. If the Board does not go forward at this point the Board runs the risk of getting themselves into a public scrape that they probably don't want.

Ms. Stewart agrees that it needs to be done. She will vote against it simply because she does not feel she has a good sense of what is being agreed to.

Mr. Porter stated that he has sympathy for that. It sounds as though some of the information did not reach Ms. Stewart.

Chairman Hays asked Mr. Travous to repeat his reaction to Ms. Stewart's question.

Mr. Travous responded that the Ms. Stewart's question was that she had not heard the assurance from him. The assurances from the other staff to him were not made with their livelihoods on the line. He has all the confidence in the world in his staff. It goes back to the unpredictability of the system under ADEQ. He cannot hang his hat on that.

Ms. Stewart stated that she was really asking was whether or not the Director feels comfortable that these things can be done and whether the Director supports the Board agreeing to do them. She did not know if the Director was saying he disagreed with his staff's assessment that they believed they could do it.

Mr. Travous responded that his staff continues to assure him they can get it done. He places a lot of faith in them. He believes that they will do everything they can to get it done.

Ms. Stewart asked if the Director would give his staff his full support.

Mr. Travous responded that absolutely they would have his full support. The odd thing about all of this is that ASP and ADEQ want the same things for the environment. It's disconcerting that ASP would be taken to task for a Consent Order when it is out in front on many issues. He takes umbrage with the way ADEQ does business in this instance. He knows that regulatory agency tends to look at everything as being a "nail" because they are a "hammer". ASP has regulatory responsibilities through SHPO, and he makes sure that we don't treat the public that way. He is offended when he is approached in the way he was in this matter.

Chairman Hays asked if the Board should pass this motion what position it puts the Director in. He does not want a situation where the Director is crossways with the Board. The Director would be the one to determine if the terms are unacceptable.

Mr. Travous noted that he would rely on his staff to make sure that those terms are acceptable. The fact of the matter is that he doesn't have a contract with the Board. The Board can get together any time and decide that he's gone. It doesn't have to rely on this instance. It's just that it is incredible that he finds himself agreeing with Mr. Porter because the way ADEQ has done business has placed the agency and him in an untenable position. He just doesn't believe government should run that way.

Mr. Porter stated his agreement with the Director's comments. However, he believes the Board must move to closure on this.

Chairman Hays called for a vote on the motion. The motion carried with Ms. Stewart voting Nay for the reasons she stated.

F. ADMINISTRATION

1. Section report

Concession Update

Mr. Siegwarth reported that staff are evaluating concessions at Lake Havasu. He expects to have that report ready in September. Staff are very happy with the concessions at Patagonia Lake and Slide Rock. The new concessionaires are doing well.

Conference/Meetings Guidelines

Mr. Siegwarth reported that a document was included in the Board packet relating to conferences and meetings guidelines. It is a first draft of a document meant to be user friendly and give examples and discussion on meeting attendance issues. It is staff's attempt to head off problems in advance. Not everyone is a procurement expert and sometimes the state's requirements are not always followed. Staff hope this will be a useful document.

G. DIRECTOR'S REPORT

1. Activities Since May 20, 2004

Mr. Travous reported that most of his time over the past two months has been spent in a court room either as a juror or as a witness. He spent a lot of time since last Friday mulling over the impact of the situation with the Mabery trial. The bad news is the state could lose up to \$2.2 million. The good news is Risk Management is covering the cost so the Board won't need to find that money in the budget.

Mr. Travous stated there were two questions he has pondered over these last weeks: could we have avoided this and, if not, could we have done things differently that would have put us in a better position. As background for the newer Board members, in 1992 Mr. Chuck Mabery bought 8 acres of agricultural land with poor access. In 1993 ASP built a \$3 million bridge across the river which gave him real good access. In 1994 the Mabery children saw new potential for that land their father bought as a commercial business. After much deliberation, from 1994 to 1999 they operated under a license agreement and an easement exchange which left them able to invest money (some of their own and some from a bank) in a commercial venture. In October 1999 the license expired and the Maberys returned to the Board and stated they did not need another license. In January 2000 the Board filed a Notice of Reservation of Rights; ASP filed suit later on; they filed a counter suit. On December 6, 2002 the judge ruled for the Maberys and concluded that the state had filed a false lien. In February 2003 this Board voted unanimously to withdraw its further claims. The judge would not allow it because he said it had not been filed correctly and would not tell our attorneys what the correct procedure was. The trial began on June 29 and the judge allowed the Board to drop the claim on the first day of the trial, which allowed the Maberys to say throughout the trial that it wasn't until that Tuesday that the claim had been dropped.

Mr. Travous stated that there were a number of facts to consider. The Board's attorneys worked very hard on this. He is sure they are exhausted. He gave his personal thanks to them. It was not for lack of talent or working into the wee hours of the night that we didn't get a better Judgment. Over the years there were 17 Board members involved in this issue. Eight of those Board members were involved for their entire tenure on this Board.

Mr. Travous stated that there are some key points in this saga. Political pressure has been applied. At the beginning of the issue in 1993 a letter was received from the Speaker of the House making sure that the Board could not trample on someone's private property rights. He believes the Board has always kept those rights in the back of its mind. Half way through the process Governor Hull's office got involved with a way they thought we could give the property to the city; the Board rejected that suggestion. The Governor's Office did not take that rejection kindly. At this point in time, the Maberys are currently suing the Board. A letter was sent to the Governor from someone on City Council asking why state tax dollars are being spent on this. The Board's attorneys handled that letter to the Governor.

Mr. Travous stated that another thing that struck him in all of this was that, if one looked at the Judge's instructions, although the burden of proof was technically with the Maberys (they were suing the Board), in reality it rested with the state. It probably always did and probably always will. He has no problem with that. When the state vs. a State of Arizona family, the burden of proof is very high. Perhaps unreasonably high. Consider that in this case the Judge released our claim on the first day of the trial. But in his instructions to the jury at end, he told them that he had already determined that the Board had filed a false claim. It appeared that we were still suing the Maberys. We couldn't talk about anything we had tried to settle this suit during the trial. Most of the Board's discussions were in Executive Session. That hogtied us going in.

Mr. Travous stated that the answer to the first question – could we have avoided this – is that prior to the easement exchange, perhaps. Once it was in place, the rest of the script almost reads like a Greek tragedy. Under the umbrella of comfort, but not retribution, the Board should consider the possibility that where we are has always been a part of the Mabery exit strategy. Where we are today is exactly part of the strategy that the Maberys were applying all this time.

Mr. Travous stated that the answer to the second question – could we have put ourselves in a better position – is, in retrospect, yes. First, the Board needs to remember that its attorneys' advice is just that – advice. It is small comfort to know that we are considered "covered" financially by Risk Management. In retrospect we should have asked more questions and played out scenarios under the filing of the Notice of Reservation Rights. We took that advice too lightly and did not play that advice through enough. In retrospect, that is something we should have done.

Mr. Travous added that the Board should be more thoughtful in its use of Executive Session. Perhaps a key part of the trial was that in discussing the Mabery licenses in October 1999 the Maberys appeared at that meeting, and the record shows that they were willing to try to comply with finding some way to make this work. The Board went into Executive Session, and the only record we have of that session was for the attorneys to proceed as instructed in Executive Session. The Board looked cold, deliberative, and like we were conspiring skullduggery. He knows that it is a two-edged sword not to do many things in Executive Session; but the real hazard in having sometimes painful discussions in Executive Session is that the public, and in this case the court record, did not have any evidence of the humanness of this group. You come to this as people first and we could never get that through to the jury because your most heartfelt deliberations were in Executive Session. He knows the Board do not want to

offend people and they were being genteel about it. He applauds that. But the other edge of that sword is that in the Board's attempt not to offend this family, there was no record to show where the Board struggled, as a jury would have struggled, with the issues before you over 11 years.

Mr. Travous stated that, given that, the Board needs to be more cautious about what is discussed in Executive Session. He saw a real life play-out of this and believes the Board would have been much better served if the jury would have seen 11 years and 17 Board members looking out after their private property rights and trying to do what was best not only for them but for Arizona and from a real honest, human standpoint.

Chairman Hays noted that this has been a long, hard struggle.

2. Pima County Bond Issue (Kelly Property adjacent to Catalina State Park)

Mr. Ream reported that in the last month or so Pima County passed a large bond election that impacts Catalina State Park. There are two parcels near the park that were included in the bond election. One is called the Kelly Ranch. He is very familiar with it having worked there for almost 15 years. The location of the parcel is the old Kelly Ranch. It was zoned commercial and was purchased by people who were going to develop it commercially. The voters of Pima County took up an initiative and returned that zoning back to rural ranch farm/single family. It is about 103 acres at the end of Tangerine Road and Oracle Road. It has a huge impact on the viewscape from the Town of Oro Valley to the Pusch Ridge. What is built there is key to what that park will look like in the future. One of the reasons that park was created was to create an uninterrupted viewscape of that magnificent north ridge of Pusch Ridge of the Catalina Mountains.

Mr. Ream reported that they believe the project will cost about \$5 million; possibly as much as \$8 million. Through their bond funding they have allocated \$2.5 million for the purchase of that property. They will be working with the Town of Oro Valley in close cooperation with Pima County and additional funding from Arizona State Parks. This is just an update to let the Board know that this is a piece of property we are working on.

Mr. Ream added that, as part of that bond election, there is a section called Catalina State Park Expansion Arizona Preserve Initiative. The Pima County voters voted \$5 million in bond money to be matched with \$5 million in Growing Smarter money to purchase State Trust lands north of the park to create wildlife corridors from the Tortolita Mountains (their large open space park) to Catalina State Park and the many acres of the Coronado National Forest adjacent there.

Mr. Ream noted that it is an ambitious project; it's an ambitious county; and staff will be working closely with them on both of these projects. This is a heads-up to the Board that Pima County has done this. He sent a communication to Mr. Huckleberry, Mr. Sweet (Oro Valley), and Mr. Payan (Pima County Parks) on these two issues.

Ms. Stewart asked if this is something grant funds would be used for or if natural areas funding would be used.

Mr. Ream responded that he doesn't know yet. He assumes that the State Trust land would be grant money funds; he doesn't know if the other would be natural areas

funding. It would have to go through the Natural Areas Selection Committee. He doesn't believe any funds have been identified yet.

Ms. Stewart stated that her point is that if natural areas funds are being considered we have experts the Board would want to hear from regarding their scientific analysis.

Mr. Ream responded that he believed the acquisitions would include a number of different funds, including LWCF. That park was originally an LWCF park as well. One partner not mentioned in the bond fund is the US Forest Service.

Mr. Porter asked if that bond is pending or has it been passed.

Mr. Ream responded that the bond was approved by the voters and they are figuring out their priority phases. The agency sent them a letter notifying them of its interest in working with them on these two issues.

H. PARTNERSHIPS AND EXTERNAL AFFAIRS

1. Section Report

General Population Survey

Mr. Ziemann reported that because of the complexity of the report he has distributed it to the Board a couple of months in advance. He asked that as the Board members take the time to go through it they forward any questions to him as soon as possible so staff can better prepare for a more thorough response in their presentation of the survey.

J. PARKS

1. Section Report

Update on Sedona Fire Station

Mr. Ream reported staff are working on a strategic plan with the Sedona Fire Department. USFS has not replied yet. Staff are communicating with Mr. Matt Shobert, Sedona Fire District, on this issue.

Serious Incidents Procedures Report

Mr. Ream reported that the Serious Incidents Procedures were included in the Board packet. He requested that the Board review it and forward any questions to him.

Mr. Porter and Ms. Stewart noted that they did not see that report in their Board packet.

Mr. Ream referred to page 45 of the Board packet. He noted that the agency calls it Emergency Notification Procedures. He will include it on the next Board Agenda so the Board can discuss the specifics of the Emergency Procedures if they so desire.

Ms. Stewart stated that she would like to see this on the next Agenda. She specifically wants to discuss how it applies to Patagonia Lake and what should be done there. She originally requested this four months ago and it was put on as a survey instead and the Board couldn't talk about it at the last meeting.

Draft Arizona Trails 2005 Plan

Mr. Ream reported that the public comment period ends July 30. The Board will vote on it in November. The Board have until July 30 to get their comments to Ms. McVey.

PAMS Update

Mr. Ream reported that Ms. Emery has taken a position with Pima County Parks. Up until that time she has been working diligently putting the Resources Management Section together. The fruits of that work are just starting to come out. She will offer the Board an update on the PAMS program and possibly discuss the Resource Inventory and Assessments. He stated how much he will miss her.

Ms. Emery stated she calls this section, "Up With People" because that's what she's really here to talk about. Yesterday the Board received the Resource Inventory Assessment book (RIA) for Red Rock State Park. This document is possibility. The Board has the possibility of the future and what it can be for ASP and Resources Management fulfilling the Vision. She introduced those who worked on the book: the Resources Management staff and the staff of Red Rock State Park are the ability to make it happen. That's where it is; that's where the Vision can be achieved. She is proud of the work these people did on this spectacular project. She asked them all to be present today so they could get the individual recognition for their achievement and so the Board could see who these people are who put this document together and know the resources they have in them.

Ms. Emery stated that, on an individual level, she observed that if we get too self-centered, too inward focused, on either a personal or organizational level the energy appears to flow inward to a black hole and is sucked out into nothing and collapses in on itself. If, however, that energy flows outward and is directed to something (a job, a goal, a vision) it doesn't dissipate but it actually increases and magnetizes and attracts more energy. It becomes a power generating station. That is exactly what happened on this project. There was a little sort of an idea. It actually began with Mr. Cordasco presenting a book that Babbitt Ranches had put together. Several staff looked at it, talked about it, and shared it with others. Within a few months' time this product was created. Many things grew out of that. On Tuesday the staff who are here today were waiting for it to come back from the printer. Ms. McVey came to her and asked if she'd seen what Mr. Savage (IT staff who does GIS work) did. He saw what was going on, he had certain skills he could add to the project, and as of Tuesday afternoon all of the GIS maps in that book are now available on an intranet site that he put up and made available and accessible to park staff. That is the sort of energy that is generated by others seeing an idea and joining in. Another example was that Rick and Joanne spent a lot of hours at Red Rock going through drawers. Rick found some files on something that sent him to a number of libraries. Joanne found a fish study that had been done by Game and Fish in the 1980s. She called Game and Fish for clarification and additional information. A week or two ago Game and Fish came out and did a study. Page 85 of the document has pictures of Game and Fish and ASP staff now joining together and generating further studies and further research. This is the kind of energy that will help with the Vision.

Ms. Emery noted that when she first presented the notion of Resources Management's plan in February an inventory was a key foundational element. One can't be a banker if he/she doesn't know what the assets and liabilities are. So, too, we need to know what we have and what we are responsible for caring for and what it means. In a way, as a model document, this is a template of the kinds of things we can do. This is an

Encyclopedia Britannica for Red Rock State Park. It's not a finished work; it is a living document that will grow and continue to be added to and built on.

Ms. Emery stated that she was not going to painstakingly go through every section. She wanted to point the Board to a couple of key pages and see a few things that illustrate what people are doing.

Ms. Emery referred to page 4, where the names of everyone involved in this project are listed. There are a number of people who are not present today who she wanted to acknowledge. Ms. Thornberg is the statewide planner and was responsible for the look of the book. Without the help of Mr. Arbeiter, Park Manager at Red Rock State Park, and his staff, things wouldn't have worked as well as they did.

Ms. Emery noted that the book is broken into three areas. The inventory, natural resource inventory, is the heart of the document. She referred to page 25 where there is a discussion on hydrology and water resources. Mr. Sejkora is responsible for this section. It builds on work he's been doing for ASP for years. He has been monitoring the stream flow for a number of years at Oak Creek as well as at the park. Most of this data goes into a drawer. He looks at it and pays attention to it. Basically, that's where it lies. The information he's been collecting for years appears in a table on page 28. Now people can see the trends. It is a useful way to put data the agency has but didn't know how to use it or put out there in a usable format.

Ms. Emery referred to page 31. Mr. Toomy, KCSP, was a godsend with his geology background. He continually updated information and clarified what he has previously found.

Mr. Emery referred to pages 39-47. This was a difficult part. Red Rock was chosen because they don't have a lot of data. They have a lot of volunteers and people who reported sightings for a long time. Once staff began sorting through all of this information about the birds, the vegetation, etc., they came up with a lot of questions. It was very difficult and resulted in a lot of soulsearching but set a number of things in motion in terms of developing templates and processes for determining the credibility and reliability of data gathered. These pages illustrate staff's best understanding at this time and will continue to be worked on. They also know now what's missing and where the gaps are.

Ms. Emery noted that staff included everything they could know about Red Rock State Park. Page 55 delineates the cultural resources inventory. Mr. Freisinger spent many hours pouring over the archaeological surveys done in the park trying to build maps, a timeline of prehistory and then went on to the historical aspect of the land uses for that parcel. On page 63 another vital part of this document appears, which is the work of another individual who is not here – Charles Eatherly. His is the institutional memory of the agency. Many of the things we know about the parks are actually in a hard drive resting on someone's shoulders. It is important that information be included. The acquisition of Red Rock was very complicated. There were two or three agency exchanges. Staff tried to get as much specificity in this document as possible.

Ms. Emery referred to pages 68-69. This is really the fun part. This is the park infrastructure and where Mr. Toomey's skills were instrumental. He took survey maps and digitized files and data he collected so a shape file could be built that could be laid

over other data such as aerial photography. He could lay out the roads and the buildings. Ms. McVey with her GPS unit gathered additional information. The rest of the infrastructure of the park is quite interesting. We can tell the depth and the depth to water of the wells. Mr. Eric Yount, Assistant Park Manager, went through every building and noted square footage of each building, utility use, etc.

Ms. Emery noted that adjoining land uses are identified on page 75. Board members and park staff have expressed concern over the years about what the Forest Service's intention might be with the land they have between the Village of Oak Creek and Sedona. Mr. Warriner spent a lot of time in Yavapai County and learning what the zoning is, what is happening, and prepared a map (page 76) showing the adjoining land ownership.

Ms. Emery referred to page 77, Assessment. It includes a breakdown of data, information to help determine what it all means and what should be done about all that we've learned. This part was divided into three sections. The first part is the Critical Needs, then Threats, and then Opportunities to rise above the occasion and do more than just the rudimentary obligations. One of the critical needs is developing the foundation. There is much more to do and it needs to be done agency-wide. This needs to be done across-the-board throughout the agency. The starting point was Red Rock.

Ms. Emery stated that under Opportunities, particularly in this park, they set aspirations of being leaders and setting examples in energy conservation, consumption, sustainable building practices and being a model that not only attracts visitors, but sets examples of how to be an outstanding resources management organization and a center of for environmental education at Red Rock State Park.

Ms. Emery stated the above summarized the book. She estimated that this project used up 600-800 hours of work from staff. It was done from the back seats and out of their back pockets. They did it with personal GPS units and personal computers and access to databases and a lot of starts and restarts along the way.

Ms. Emery stated that there are needs. We need a centralized database. Now that we have information, we to be able to access it and catalogue it. When we move to the next park they will need to know where those reports are that were looked at or that the next park can use. We have to be able to cross reference and find that information. We need a centralized GIS to set up timelines for getting set up. We need communications with other land managers and public agencies. The possibility of developing a research fund was discussed. It could be done through the agency setting aside an amount of money so that specific types of study, testing, inventory, aerial photography, etc., could be done for a particular project. Perhaps this is a package that is taken to the legislature as part of our goal to achieve these ends, set aside a research fund and engage in relationships with the universities. These funds would be directed by ASP into programs and IGAs would be entered into with universities so there is a way for all of this to create a giant circle and interact with each other.

Mr. Emery noted that there are staffing needs. Interns could be used to do some of the initial inventories or literature searches. We could use additional resource ecologists and cultural resource managers – perhaps one per region. We could start small. All of this was done with what we have, within our timeframe, and within our resources. She would not want to ask the staff to continue to have to add this in with what else they

are doing. However, the desire and ambition was there. So much so that they are ready to go again. There have been discussions that perhaps Tonto Natural Bridge is the next place to go.

Ms. Emery stated that this work was incredible, especially the approach and the energy and enthusiasm and engagement of all of the staff in doing it. This is not a finished product – it is just a start.

Mr. Porter stated that he recognizes this as sort of a pilot project. This first shot demonstrates graphically what PAMS can do. Obviously, it must be taken to the next step. It has to be accessible; it has to be part of the huge database we are hopefully going to build. He's not sure there's another state that has something like this in place. It is exciting. It is graphic demonstration of what we can do. The Board was excited with the first presentation on PAMS. He doesn't think he's seen this Board so excited about anything since he's been on this Board.

Ms. Emery responded that it was a calculated strategy. It can be talked about, but no one knew what it would look like. They didn't understand it when they began. They spent a lot of time discussing what to do and how to do it. This is the product that evolved from those discussions.

Chairman Hays thanked Ms. Emery for all she's done for the agency.

Ms. Emery responded that she has very much enjoyed her time with ASP and the opportunities to be involved and work with such great people.

Mr. Travous noted that Ms. Emery will replace Mr. Payan on the Natural Areas Advisory Committee.

Mr. Porter suggested that as a replacement is sought for Ms. Emery in the agency, staff need to keep in mind how important the Board views PAMS.

Ms. Stewart expressed her appreciation and amazement at this project and the many other projects that Ms. Emery has worked on. In the last few months the Board has seen several examples of the incredible work she has done, including the NAPAC Work Plan, the PAMS, the specific RIA for Red Rock. A lot of these things came together and it's amazing how she has energized and empowered her staff and NAPAC to reach these summits. She is an incredible loss to the agency. On the more positive side, Ms. Emery has left the Board with a well-reasoned and articulate and professional blueprint to follow in going forward. She echoed Mr. Porter's comments that one of the things the Board will hold Executive Staff's feet to the fire on is in hiring an appropriate replacement. Implementing these things and keeping the momentum is key to the Vision. The Board has recognized the importance of PAMS. The Board will be looking closely to see how long it takes to find a permanent replacement, the credentials, and the energy that person brings. That will tell the Board the level of commitment staff have to continue the Vision. Along the same lines, she believes that in the first quarterly report the Board will be most interested in is what it will take to do this for all of the parks. She believes that is something the Board really needs to have. The Board will want to know how to get that funding and staffing. There is a short list of staff who put this together. This is a book. It needs to be done with all of the parks. Obviously, even if these people worked full time and did nothing but this, it would take quite a while to get it done for all the parks. On the other hand, a lot of decisions can't be made

without this kind of knowledge. She will be looking forward to hearing from staff how these things will get done.

K. FRIENDS RAISING/FUNDRAISING

1. Section report

Report on Activities of Executive Consultant

Ms. Statler reported that the ASP Foundation had their second meeting on Tuesday and achieved a great deal. They are reviewing policies relating to gifting, identifying prospective board members, and identifying and adopting goals specifically relating to awareness building for ASP and the issues the agency faces as well as fundraising to help ASP achieve their goals and Mission. Their board continues to expand its membership to reflect ethnic, geographic, and professional diversity they feel necessary to meet their newly-adopted goals and, ultimately then, the goals of ASP. The Board received a hard copy of the By Laws with a cover letter from Ms. Pfister that indicates that their board may reach up to 19 full members. They currently have 12 members, 1 non-voting, and expect to expand to 16 members within the next 3-4 months. In order to avoid the "cart before the horse" syndrome, she is working closely with the administration and ASP staff to draft an MOU that will be proposed to ASP and the Foundation. This agreement will clarify the relationship between these two organizations and to establish guidelines for consideration of proposed gifts and proposed projects. She stated that the MOU is in draft form. She is working with Admin Services staff relating to volunteers and how they are dealt with under ASP's current policy.

Ms. Statler stated that the Foundation is considering policies that will guide their own internal decision-making as they explore projects and grant opportunities. Having said that, there are grant opportunities with pending deadlines that are being explored, including a grant application to the Arizona Diamondbacks Charities. It was interesting that the Board discussed the Diamondbacks today. An opportunity can perhaps be created, through funding with the Charities organization and, perhaps with matching funds from the Foundation, to engage children in parks. The goals are in line with each other in terms of the two organizations. The Foundation will make efforts to gain funding through external sources, like the Diamondbacks Charities organization, to achieve those goals.

Ms. Statler noted that she will be scheduling a meeting with Mr. Saenz, the Hispanic Marketing Director for the Arizona Diamondbacks organization as well as an Hispanic broadcaster for their games. He is on the ASP Foundation's board and will be inviting the Director of the Arizona Diamondbacks Charities to a meeting to discuss possible opportunities to create a project or opportunity to get children out into parks and to perhaps achieve other goals that can be explored jointly.

Ms. Statler stated that the Foundation looks forward to supporting the 50th Anniversary celebration. There will probably be opportunities for sponsorships that can then be directed through the Foundation and opportunities to solicit through the Foundation support for activities and other events that relate to the 50th Anniversary.

Ms. Statler noted that the Foundation is actively planning their Inaugural Event. She was asked to pass along a personal invitation from Ms. Pfister, President of the Board of

the ASP Foundation, to join them at Tonto Natural Bridge State Park on October 9. They welcome the Board's participation in this event and encourage the Board to participate, as well as perhaps help them expand the invitation list for this event. They will secure a Special Use Permit so there will be no special considerations for the Foundation. They invite each Board member to submit a list of 13-15 names of the audience they hope to address at this event, including prospective board members to the Foundation as well as prospective donors to the Foundation and perhaps legislators who may want to hear and understand the Mission of the ASP Foundation.

Mr. Porter asked if there is a time for this event.

Ms. Statler responded that it will be a Noon to 6:00 p.m. event. The park closes at 6:00 and there may be some after-hours activity. It is still in the planning stage. Ms. Pfister and Mr. Sims (Charlotte Hall) are actively planning the event. The purpose of this event is to introduce the Foundation to the general public and constituencies of ASP.

L. SUMMARY OF CURRENT EVENTS, REQUESTS AND ITEMS FOR FUTURE AGENDAS

Mr. Porter stated that he had a number of items he would like placed on the Agenda in September. He would certainly like to discuss Parks' Involvement in 2005 History Convention in September. It would have been premature to discuss it today because their planning meeting for the convention will be held August 12. From that meeting he will be more prepared to help in that discussion.

Mr. Porter stated he would like to discuss the 20% cap. That dialogue could begin either at the September meeting or in November. He wants to discuss that policy and whether there can be some tweaking or changes. The Board is making other changes based on the Vision and the Board are taking a different view of funding for grants.

Ms. Stewart stated she had a request from Cate Bradley, Chairman of ASCOT, to address the Board at the next meeting. They have been doing a lot of great things and are anxious to present some of their activities to the Board and seek support.

Ms. Stewart requested that a discussion of what is being done in the state parks in the capital projects to use energy-efficient materials, sustainable building/ green building materials, solar, and how we are trying to minimize the impact on the environment in terms of location, design, etc. It ties in with the Vision. Those issues were raised in the RIA for Red Rock. She would like to know how it is being addressed in all of the development projects.

Ms. Stewart noted that several months ago Mr. Ream shared an idea about ASP having a system of trails in Maricopa County. She requested a discussion of this on the September Agenda. She would like the discussion to include the idea itself, how it might be worked into some of the things the Board has been talking about.

Ms. Stewart reported that the Historic Preservation Conference will be held the end of next week. It is the Second Annual Historic Preservation Conference that SHPO is sponsoring. The Board Members should have received their letter of invitation. She attended the conference last year. It was one of the best conferences she had ever been to. There are some fantastic things on their Agenda. She encouraged the Board to make an effort to attend all or part of that conference.

Mr. Cordasco stated the RIA at Red Rock State Park is beyond extraordinary. Among those environmental organizations that have responsibility for a tremendous amount of ecological processes or other recreational impacts, no one will be able to name one that has done this. This document will have ripple effects that will be a positive impact on the state parks that will be equally extraordinary. They will fit in perfectly with all of the ecological, community, and economic values the Board is establishing for the agency's future. Everyone involved in whatever area of the agency will be greatly blessed by this effort. He suggested that Ms. Faeth should receive this document.

Ms. Stewart stated that this is the type of thing that will help establish ASP as being a leader in land management.

Mr. Cordasco responded that he believes ASP already is.

M. TIME AND PLACE OF NEXT MEETING

Chairman Hays stated that the next Parks Board meeting will be September 23, 2004 at a site to be determined in Phoenix.

Mr. Travous noted that it is scheduled to be in Phoenix so that it will be centrally-located for everyone. It is scheduled for Thursday, September 23.

Ms. Stewart noted that she may not be able to attend that meeting.

N. ADJOURNMENT

Mr. Porter made a motion to adjourn. The motion was seconded and carried unanimously. The meeting was adjourned at 2:16 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a signlanguage interpreter, by contacting the ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

SUBMITTED BY:

Kenneth E. Travous, Executive Director

APPROVED BY:

John U. Hays, Chairman